

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: APACHE CORPORATION  
OPERATOR ADDRESS: 303 VETERANS AIRPARK LANE MIDLAND TEXAS 79705  
APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.  
(4) Measurement type: ☐ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code. WINCHESTER;BONE SPRING WEST (97569)  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: ☒ Metering ☐ Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: alicia fulton TITLE: SR REG. ANALYST DATE: 2/15/2023  
TYPE OR PRINT NAME ALICIA FULTON TELEPHONE NO.: 432-818-1088  
E-MAIL ADDRESS: ALICIA.FULTON@APACHECORP.COM



2/15/2023

Heather Riley  
New Mexico Oil Conservation Division  
1220 South St. Frances Drive  
Santa Fe, NM 87505

RE: Request for Administrative Surface Commingling Authority  
Palmillo 29-30 State Battery  
Eddy County, New Mexico

Director Riley:

Apache respectfully requests administrative approval to surface commingle at the Palmillo 29-30 State Battery.

**Proposal:**

Apache proposes to allocate production between the following wells based on frequent and periodic well tests:

• Palmillo 29-30 State 271H	API: 30-015-50201
• Palmillo 29-30 State 272H	API: 30-015-50211
• Palmillo 29-30 State 273H	API: 30-015-50213
• Palmillo 29-30 State 274H	API: 30-015-50215
• Palmillo 29-30 State 375H	API: 30-015-50202
• Palmillo 29-30 State 376H	API: 30-015-50210
• Palmillo 29-30 State 377H	API: 30-015-50214
• Palmillo 29-30 State 378H	API: 30-015-50216

This commingling request is the most effective, economic means of producing the reserves and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses by utilizing existing facilities as well as reduce the surface facility footprint associated with constructing a new battery.

**Measurement:**

The Palmillo 29-30 State central tank battery will be located in Sec 25, T19S, R27E. Three-phase metering separators (to test cumulative production) or a three-phase metering tester (to test wells individually) will be used to test each well's production separately to fairly allocate oil and gas production on a pro-rata share. Wells will be rotated through the metering tester on a regular basis. The separator and tester will be equipped with a Coriolis meter for oil measurement, magnetic flow meter for water measurement, and a differential pressure/orifice plate meter or Coriolis meter for gas measurement.

VRU gas volumes will be measured with a differential pressure/orifice plate meter and volumes will be allocated back to each well utilizing a percentage of each wells monthly oil production.

Please find the proposed Facility layout attached.

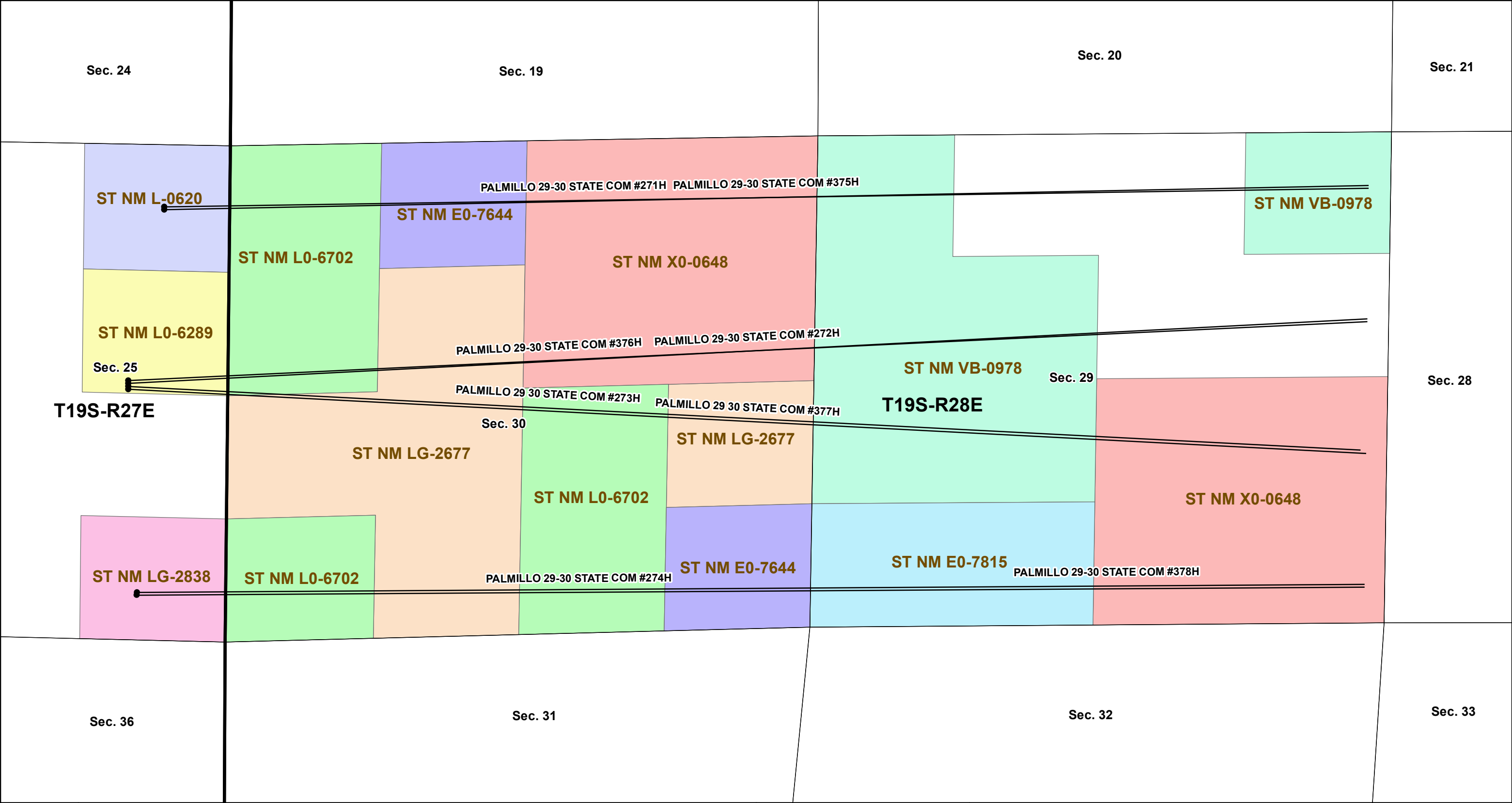
Please advise if this request is acceptable. If additional information is required, please contact Alicia Fulton, Regulatory Analyst, at (432) 818-1088 or [alicia.fulton@apachecorp.com](mailto:alicia.fulton@apachecorp.com) or me at (409) 221-9271 or [Phillip.clemmons@apachecorp.com](mailto:Phillip.clemmons@apachecorp.com).

Sincerely,

 2/15/2023

Phillip Clemmons  
Production Engineer  
Delaware Basin Asset

Enclosure / Enclosures (1)



DATE: 2/22/2023

PREPARED BY:  
T. WHITEFIELD

### LEASE MAP - PALMILLO 29-30 STATE COM EDDY COUNTY, NM

● WELL SURFACE HOLE LOCATION

— IHS WELLBORE

ST NM E0-7644

ST NM L0-6289

ST NM L0-6702

ST NM E0-7815

ST NM L-0620

ST NM LG-2838

ST NM VB-0978

ST NM X0-0648

ST NM LG-2677

CHAVES

LEA

EDDY

CULBERSON

LOVING

NEW MEXICO

TEXAS

WINKLER

ANDREWS

YOKUM

GAINES

Map Data References:  
Counties - Tobin Data  
Well Layers - IHS  
Pipeline Layers - IHS  
Blocks - Tobin Data  
Surveys - Tobin Data  
Roads - ESRI Base Data  
Rail Roads - ESRI Base Data  
Leasehold - Midland GIS

Coordinate System:  
GCS WGS 1984  
Datum: WGS 1984  
Units: Degree  
  
1:12,000  
1" = 1,000'

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01,3202,640

MilesFeet

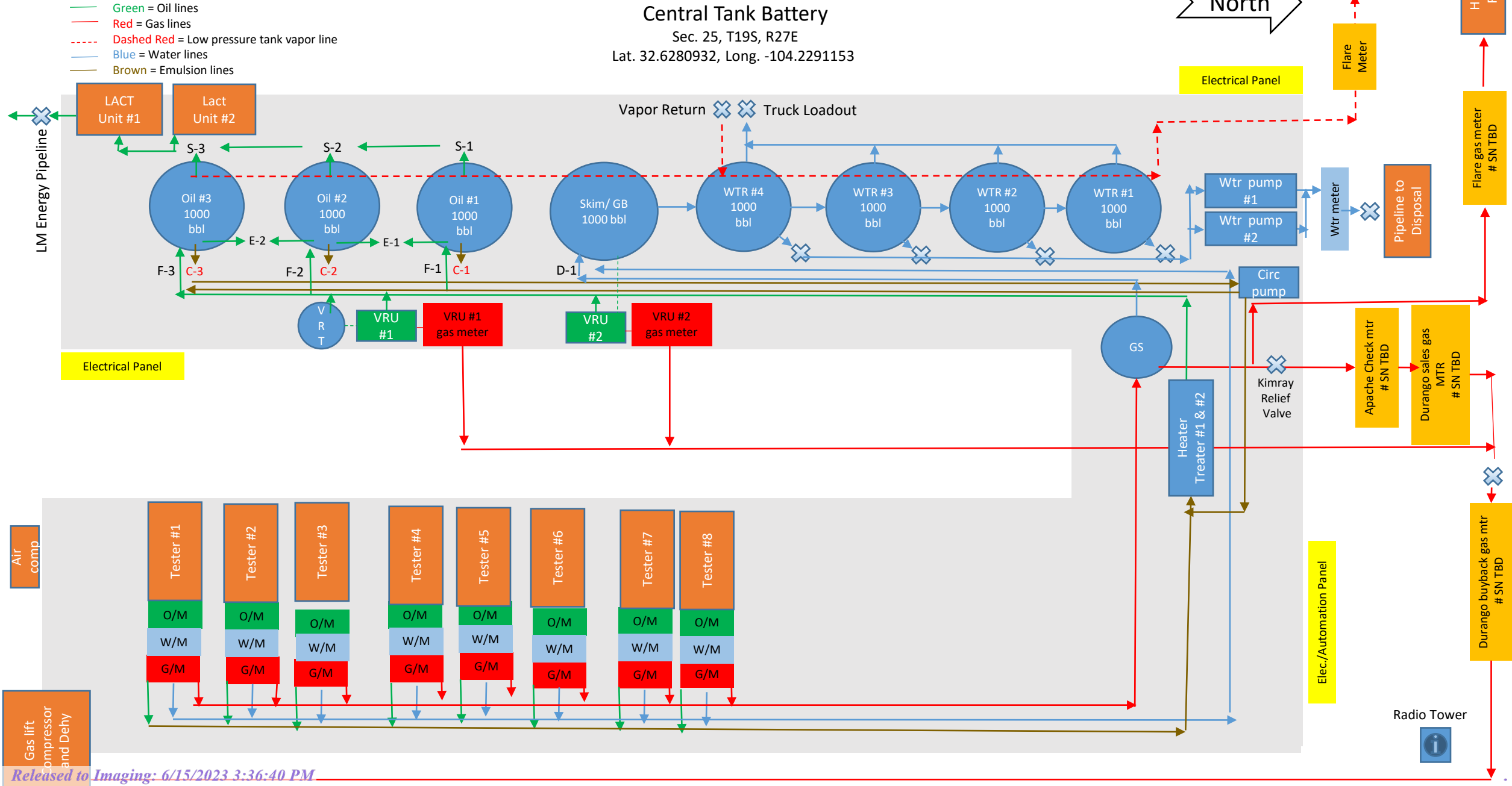
**PERMIAN OFFICE**  
303 Veterans Airpark Ln #1000  
Midland, TX 79705  
Phone:(432) 818-1000

Document Path: N:\Houston\Dept\Commercial\SHARED\Midland\ APACHE Permian GIS\COUNTIES\Eddy NMMXD\Palmillo\Palmillo 29-30 Lease Map.mxd  
Released to Imaging: 6/15/2023 3:36:40 PM

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Apache Corporation  
Palmillo 29-30  
Central Tank Battery  
Sec. 25, T19S, R27E  
Lat. 32.6280932, Long. -104.2291153



Palmillo 29-30

Central Tank Battery

Sec. 25, T19S, R27E

Lat. 32.6280932, Long. -104.2291153

Equipment inventory: Central Tank Battery

Vapor Recovery Tower MFG:

Oil Tank #1 MFG: Permian, 16oz, 1000 bbl, 15'-6"x 30"

Oil Tank #2 MFG: Permian, 16oz, 1000 bbl, 15'6"x 30"

Oil Tank #3 MFG: Permian, 16oz, 1000 bbl, 15'6"x 30"

GB/ Skim Tank MFG: Permian, 16oz, 1000 bbl, 15'-6"x 32'

Water Tank #1 MFG: Permian Lide & Vessel, 1000 bbl, 15'6"x 30"

Water Tank #2 MFG: Permian Lide & Vessel, 1000 bbl, 15'6"x 30"

Water Tank #3 MFG: Permian Lide & Vessel, 1000 bbl, 15'6"x 30"

Water Tank #4 MFG: Permian Lide & Vessel, 1000 bbl, 15'6"x 30"

Circulation Pump

Water Disposal Pump #1

Water Disposal Pump #2

Electric VRU Gas Comp #1 MFG: Richards/ BOSS-VRU 14D/ 100hp

Electric VRU Gas Comp #2 MFG: Richards/ BOSS-VRU 8G/ 30hp

LACT Unit #1

LACT Unit #2

Air Comp #1 MFG: Ingersoll, Model# 30

Gas Comp #1 MFG: Archrock 3516

Gas Comp #2 MFG: Archrock 3516

Separator #1 MFG: Petro smith 6'x16' 3-Ph

Separator #2 MFG: Petro smith 6'x16' 3-Ph

Separator #3 MFG: Petro smith 6"x16' 3-Ph

Separator #4 MFG: Petro smith 6'x16' 3-Ph

Separator #5 MFG: Petro smith 6'x16' 3-Ph

Separator #6 MFG: Petro smith 6'x16' 3-Ph

Separator #7 MFG: Petro smith 6'x16' 3-Ph

Separator #8 MFG: Petro smith 6"x16' 3-Ph

Heater Treater #1 MFG: Dragon 96"x 20" Horizontal

Heater Treater #2 MFG: Dragon 96"x 20" Horizontal

Flame Arrestor: Flameco, SB32/18-18, BTU 1.5 MM

Stack Dimensions: 16"x 12'

Oil Tower (VRT) MFG: Dragon 48"x 360"

Flare Gas Scrubber MFG: Global 48"x 10

Flare

Compressor Gas Lift Scrubber MFG: Global, 48"x 10' SN# LV8432

Compressor Fuel Gas Scrubber MFG: Global 30"x 10' SN# LV8440

Dehy Manufacturer: Bold

300M BTU/HR Glycol Regen w/ 24"x 25' S/S 8T 1440#

Filter Seperator: 12-3/4" x 7' S/S 1440# HZ & Spiral B-Tex



## Shipment Receipt

### Address Information

#### Ship to:

Mike Bratcher  
Oil Conservation Division  
811 S. First Street

Artesia, NM

88210

US

(575) 7481283

#### Ship from:

Barbie Norman  
Apache Corporation  
303 Veterans Airpark Lane  
Suite 3000

Midland, TX

79705

US

4328181000

### Shipment Information:

Tracking no.: 775380501025

Ship date: 06/04/2019

Estimated shipping charges: 13.33 USD

### Package Information

Pricing option: FedEx Standard Rate

Service type: FedEx 2Day

Package type: FedEx Envelope

Number of packages: 1

Total weight: 1 LBS

Declared Value: 0.00 USD

Special Services:

Pickup/Drop-off: Drop off package at FedEx location

### Billing Information:

Bill transportation to: Apache-280

Your reference:

P.O. no.:

Invoice no.:

Department no.: DUS439

Thank you for shipping online with FedEx ShipManager at [fedex.com](https://fedex.com).

### Please Note

FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1000, e.g., jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits; Consult the applicable FedEx Service Guide for details.

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\$ Total **Boling Enterprise, Ltd.**  
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\$ Street **Roswell, NM 88201**  
City, St

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\$ Total **New Mexico State Land Office**  
\$ Sent To **Attn: Commingle Manager**  
\$ Street **PO BOX 1148**  
City, State, ZIP+4® **Santa Fe, NM 87504-1148**

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\$ Sent To **22777 Springwoods Village Pkwy**  
\$ Street **Spring, TX 77389-1425**  
City, St

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\$ Total **Durango Production Corp.**  
\$ Sent To **P.O. Box 4848,**  
\$ Street **2663 Plaza Parkway**  
City, St **Wichita Falls, TX 76308**

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\$ Total **Alpar Energy, Inc.**  
\$ Sent To **PO Box 1046**  
\$ Street **Perryton, TX 79070-1046**  
City, St

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\$ Total **TKM Resources, LLC**  
\$ Sent To **1775 Sherman Street, Suite 2015**  
\$ Street **Denver, CO 80203-4319**  
City, St

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Total 3701 Fairhaven Ct.  
\$ Sent 1 Midland, TX 79707  
Street  
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\$ Anthracite Energy Partners, LLC  
Total PO Box 52370  
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Street  
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\$ Tug Hill Energy, LLC  
Total 1320 S. University Drive, Suite 500  
\$ Sent 1 Fort Worth, Texas 76107  
Street  
City, S

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\$ Northern Oil and Gas Inc.  
Total 4350 Baker Road, Suite 400  
\$ Sent Minnetonka, MN 55343  
Street  
City

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\$ Jetta Production Company, Inc.  
Total 640 Taylor Street, Suite 2400  
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Street  
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Total 5509 Champions Dr.  
\$ Sent 1 Midland, Texas 79706  
Street  
City,

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Street and A

City, State, Z

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3602 S. Washington

Amarillo, TX 79110

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PBEX, LLC

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Street

City, S

Nance Resources, Inc.

2924 Millenium Circle

Billings, MT 59102

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Total Post

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Sent To

Street and

City, State

Oxy USA, Inc.

5 Greenway Plaza, Suite 110

Houston, Texas 77046-0521

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- ☐ Adult Signature Restricted Delivery \$

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Total Po

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Street ai

City, Sta

VF Petroleum, Inc.

PO Box 1889

Midland, TX 79702

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9584 9119 0000 0042 2102

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3505 Edgewood

Amarillo, TX 79109

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 Midland, TX 79701

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 Amarillo, TX 79110

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Michael J. Bennett  
 3518 Plum Lane  
 Amarillo, TX 79121

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Currie Smith I, Ltd.  
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 Amarillo, TX 79110

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 Amarillo, TX 79110

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\$ _____ Minnetonka, MN 55343	
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Read & Stevens, Inc.

PO Box 1518

Roswell, New Mexico 88202-1518

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S.K. Lawlis  
 PO Box 1889  
 Midland, TX 79702

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City, State

Derek L. Drake  
 2525 Kell Blvd Ste 410  
 Wichita Falls, TX, 76308-1060

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Mark D. Wilson  
 4501 Green Tree Blvd  
 Midland, TX 79707-1607

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 600 W. Illinois Avenue  
 Midland, TX 79701

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Dale A. Smith  
 418 South Polk  
 Amarillo, TX 79101

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 5509 Champions Dr.  
 Midland, Texas 79706

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JMKPetroleum Company, Trustee  
 For Melvin W. Jackson  
 1017 LONG PRAIRIE RD STE 201  
 FLOWER MOUND, TX, 75022

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 Austin, Texas 78746

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 Dallas, TX 75205

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 P.O. Box 7698  
 Tyler, TX 75711

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ML Boling Development, LLC  
 PO Box 1514  
 Roswell, NM 88202

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Dusty Sanderson  
 7802 Bennington Dr  
 Amarillo, TX 79119-4994

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VEER Capital Partners, LLC  
 7670 Woodway Drive, Suite 357  
 Houston, TX 77063

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Chevron U.S.A, INC  
 1400 Smith St.  
 Houston, TX 77002

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Marks Oil, Inc.  
 1775 Sherman Street, Suite 2015  
 Denver, CO 80203-4319

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Conejos Energy, LLC  
 208 Peregrine Hill Cir  
 Midland, Texas 79707

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February 14, 2023

Heather Riley  
New Mexico Oil Conservation Division  
1220 South St. Frances Drive  
Santa Fe, NM 87505

RE: Request for Administrative Surface Commingling Authority  
Palmillo 29-30 State Battery  
Eddy County, New Mexico

Director Riley:

Apache hereby requests for surface commingling under State of New Mexico leases X0-648-154, E0-7644-2, E0-7815-4, VB-978, E0-6702-3, E0-6702-5, LG-2677-2 as it pertains to the following described lands:

Township 19 South, Range 28 East  
Sections 29 and 30: All  
Eddy County, New Mexico

Please be aware that the working interest ownership and overriding royalty interest of the Palmillo 29-30 State Com 271H and 375H is exactly the same.

Please be aware that the working interest ownership and overriding royalty interest of the Palmillo 29-30 State Com 272H and 376H is exactly the same.

Please be aware that the working interest ownership and overriding royalty interest of the Palmillo 29-30 State Com 273H and 377H is exactly the same.

Please be aware that the working interest ownership and overriding royalty interest of the Palmillo 29-30 State Com 274H and 378H is exactly the same.

In order to commingle production at the surface, production from each of the wells the wells must be metered as outlined below at the wellhead to account for the difference in ownership:

- The Palmillo 29-30 State central tank battery will be located in Sec 25, T19S, R27E. Three-phase metering separators (to test cumulative production) or a three-phase metering tester (to test wells individually) will be used to test each well's production

Interoffice Memorandum  
AAO Federal  
April 25, 2018  
Page 2

separately to fairly allocate oil and gas production on a pro-rata share. Wells will be rotated through the metering tester on a regular basis. The separator and tester will be equipped with a Coriolis meter for oil measurement, magnetic flow meter for water measurement, and a differential pressure/orifice plate meter for gas measurement. VRU gas volumes will be measured with a differential pressure/orifice plate meter and volumes will be allocated back to each well utilizing a percentage of each wells monthly oil production.

A spreadsheet showing the ownership between the two sections is attached as Exhibit A to this letter.

A voluntary agreement (Joint Operating Agreement dated April, 1 2021) evidences the consent by all parties subject to the JOA; additionally, notice has been provided to all interest owners of this application for surface commingling.

Additionally Parties not subject to the JOA, are subject to compulsory pooling orders covering the N/2N/2, S/2N/2, N/2S/2, and S/2S/2 of Sections 29 and 30 Winchester; Bone Spring west pool. Order No. 21727 (271H and 375H), 21728 (272H and 376H), 21729 (273H and 376H), and 21730 (274H and 378H).

For future additions of wells, leases, and pools to this commingling operation, notice shall only be given to those interest owners in the wells, leases, or pools to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) NMAC.

If you have any questions, please contact me via email at [blake.johnson@apachecorp.com](mailto:blake.johnson@apachecorp.com) or telephone at 281-302-2606.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Johnson", is written over a horizontal line.

Blake Johnson  
Landman

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025- 15-50201</b>		<sup>2</sup> Pool Code <b>97569</b>	<sup>3</sup> Pool Name <b>WINCHESTER; BONE SPRING, WEST</b>
<sup>4</sup> Property Code <b>333585</b>	<sup>5</sup> Property Name <b>PALMILLO 29-30 STATE COM</b>		<sup>6</sup> Well Number <b>271H</b>
<sup>7</sup> GRID NO. <b>873</b>	<sup>8</sup> Operator Name <b>APACHE CORPORATION</b>		<sup>9</sup> Elevation <b>3474'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>A</b>	<b>25</b>	<b>19S</b>	<b>27E</b>		<b>700</b>	<b>NORTH</b>	<b>445</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>29</b>	<b>19S</b>	<b>28E</b>		<b>660</b>	<b>NORTH</b>	<b>50</b>	<b>EAST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
<b>323.08</b>			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p><sup>16</sup></p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 595298.0 - E: 574601.8 LAT: 32.6364767° N LONG: 104.2252718° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 660' FNL &amp; 100' FWL - SEC 30 N: 595331.2 - E: 575147.0 LAT: 32.6365664° N LONG: 104.2235007° W</p> <p><u>LAST TAKE POINT (LTP)</u> 660' FNL &amp; 100' FEL - SEC 29 N: 595509.3 - E: 585474.9 LAT: 32.6370221° N LONG: 104.1899491° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 595509.8 - E: 585524.8 LAT: 32.6370232° N LONG: 104.1897868° W</p>	<p>J: FOUND BRASS CAP "1941" N: 593538.2 - E: 585560.2</p> <p>K: FOUND BRASS CAP "1941" N: 590906.8 - E: 585541.3</p> <p>L: FOUND BRASS CAP "1941" N: 590849.0 - E: 582921.0</p> <p>M: FOUND BRASS CAP "1941" N: 590871.3 - E: 580314.9</p> <p>N: FOUND BRASS CAP "1941" N: 590726.0 - E: 577724.3</p> <p>O: FOUND BRASS CAP "1941" N: 590726.4 - E: 575003.7</p> <p>P: FOUND BRASS CAP "1941" N: 590780.1 - E: 572365.3</p> <p>Q: FOUND BRASS CAP "1941" N: 593357.1 - E: 575028.3</p> <p>R: FOUND BRASS CAP "1941" N: 593498.9 - E: 580342.6</p> <p>I: FOUND BRASS CAP "1941" N: 596170.1 - E: 585579.7</p>	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><b>Sorina L Flores</b> 12/6/2022 Signature Date <b>Sorina L Flores</b> Printed Name <b>sorina.flores@apachecorp.com</b> E-mail Address</p>
	<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>04/28/2021</b> Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <b>DALE E. BELL</b> NEW MEXICO 14400 12/06/2022 14400 Certificate Number REV: SL MOVE 09/26/2022</p>	<p><b>Job No.: LS21040393R</b></p>



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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025- 50211</b>		<sup>2</sup> Pool Code <b>97569</b>	<sup>3</sup> Pool Name <b>WINCHESTER; BONE SPRING, WEST</b>
<sup>4</sup> Property Code <b>333585</b>	<sup>5</sup> Property Name <b>PALMILLO 29-30 STATE COM</b>		<sup>6</sup> Well Number <b>272H</b>
<sup>7</sup> GRID NO. <b>873</b>	<sup>8</sup> Operator Name <b>APACHE CORPORATION</b>		<sup>9</sup> Elevation <b>3470'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>I</b>	<b>25</b>	<b>19S</b>	<b>27E</b>		<b>2600</b>	<b>NORTH</b>	<b>750</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>H</b>	<b>29</b>	<b>19S</b>	<b>28E</b>		<b>2060</b>	<b>NORTH</b>	<b>50</b>	<b>EAST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
<b>323</b>			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p><sup>16</sup></p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 593404.9 - E: 574279.2 LAT: 32.6312739° N LONG: 104.2263260° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 2060' FNL &amp; 100' FWL - SEC 30 N: 593931.6 - E: 575133.7 LAT: 32.6327193° N LONG: 104.2235486° W</p> <p><u>LAST TAKE POINT (LTP)</u> 2060' FNL &amp; 100' FWL - SEC 29 N: 594109.7 - E: 585464.5 LAT: 32.6331750° N LONG: 104.1899889° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 594110.2 - E: 585514.5 LAT: 32.6331761° N LONG: 104.1898265° W</p> <p><u>CALCULATED POINTS</u> 1: N: 594854.2 - E: 585570.0 2: N: 594809.6 - E: 580355.6 3: N: 594672.8 - E: 575040.8</p>		<p><u>FOUND BRASS CAP "1941"</u> J: 593538.2 - E: 585560.2 K: 590906.8 - E: 585541.3 L: 590849.0 - E: 582921.0 M: 590871.3 - E: 580314.9 N: 590726.0 - E: 577724.3 O: 590726.4 - E: 575003.7 P: 590780.1 - E: 572365.3 Q: 593357.1 - E: 575028.3 R: 593498.9 - E: 580342.6</p>		<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><b>Sorina L Flores 12/6/2022</b> Signature Date <b>Sorina L Flores</b> Printed Name <b>sorina.flores@apachecorp.com</b> E-mail Address</p>
<p><u>LOT 1</u> 43.08 Ac. FTP</p> <p><u>LOT 2</u> 40 Ac. 40 Ac. 40 Ac.</p> <p><u>LOT 3</u> 42.92 Ac.</p> <p><u>LOT 4</u> 42.84 Ac.</p>		<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>04/28/2021</b> Date of Survey Signature and Seal of Professional Surveyor <b>DALE E. BELL</b> NEW MEXICO 14400 12/06/2022 14400 Certificate Number REV: SL MOVE - 09/26/2022</p>		

Job No.: LS21040400R1



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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025- 50213</b>	<sup>2</sup> Pool Code <b>97569</b>	<sup>3</sup> Pool Name <b>WINCHESTER; BONE SPRING, WEST</b>
<sup>4</sup> Property Code <b>333585</b>	<sup>5</sup> Property Name <b>PALMILLO 29-30 STATE COM</b>	
<sup>7</sup> OGRID NO. <b>873</b>	<sup>8</sup> Operator Name <b>APACHE CORPORATION</b>	<sup>6</sup> Well Number <b>273H</b>
		<sup>9</sup> Elevation <b>3470'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>I</b>	<b>25</b>	<b>19S</b>	<b>27E</b>		<b>2630</b>	<b>NORTH</b>	<b>750</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>29</b>	<b>19S</b>	<b>28E</b>		<b>1790</b>	<b>SOUTH</b>	<b>50</b>	<b>EAST</b>	<b>EDDY</b>
<sup>12</sup> Dedicated Acres <b>322.92</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p><sup>16</sup></p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 593374.9 - E: 574278.9 LAT: 32.6311915° N LONG: 104.2263272° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 1790' FSL &amp; 100' FWL - SEC 30 N: 592515.8 - E: 575120.4 LAT: 32.6288278° N LONG: 104.2235964° W</p> <p><u>LAST TAKE POINT (LTP)</u> 1790' FSL &amp; 100' FEL - SEC 29 N: 592694.1 - E: 585454.2 LAT: 32.6292840° N LONG: 104.1900284° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 592695.2 - E: 585504.2 LAT: 32.6292868° N LONG: 104.1898661° W</p>	<p>J: FOUND BRASS CAP "1941" N: 593538.2 - E: 585560.2</p> <p>K: FOUND BRASS CAP "1941" N: 590906.8 - E: 585541.3</p> <p>L: FOUND BRASS CAP "1941" N: 590849.0 - E: 582921.0</p> <p>M: FOUND BRASS CAP "1941" N: 590871.3 - E: 580314.9</p> <p>N: FOUND BRASS CAP "1941" N: 590726.0 - E: 577724.3</p> <p>O: FOUND BRASS CAP "1941" N: 590726.4 - E: 575003.7</p> <p>P: FOUND BRASS CAP "1941" N: 590780.1 - E: 572365.3</p> <p>Q: FOUND BRASS CAP "1941" N: 593357.1 - E: 575028.3</p> <p>R: FOUND BRASS CAP "1941" N: 593498.9 - E: 580342.6</p> <p>I: FOUND BRASS CAP "1941" N: 596170.1 - E: 585579.7</p>	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><b>Sorina L Flores</b> 12/6/2022 Signature Date <b>SORINA L FLORES</b> Printed Name <b>sorina.flores@apachecorp.com</b> E-mail Address</p>
	<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>04/28/2021</b> Date of Survey Signature and Seal of Professional Surveyor <b>DALE E. BELL</b> NEW MEXICO PROFESSIONAL SURVEYOR 14400 12/06/2022 Certificate Number <b>14400</b> REV: SL MOVE - 09/26/2022</p>	<p><b>Job No.: LS21040401R1</b></p>

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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025- 015-50215</b>		<sup>2</sup> Pool Code <b>97569</b>	<sup>3</sup> Pool Name <b>WINCHESTER; BONE SPRING, WEST</b>
<sup>4</sup> Property Code <b>333585</b>	<sup>5</sup> Property Name <b>PALMILLO 29-30 STATE COM</b>		<sup>6</sup> Well Number <b>274H</b>
<sup>7</sup> OGRID NO. <b>873</b>	<sup>8</sup> Operator Name <b>APACHE CORPORATION</b>		<sup>9</sup> Elevation <b>3457'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>P</b>	<b>25</b>	<b>19S</b>	<b>27E</b>		<b>397</b>	<b>SOUTH</b>	<b>650</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>29</b>	<b>19S</b>	<b>28E</b>		<b>330</b>	<b>SOUTH</b>	<b>50</b>	<b>EAST</b>	<b>EDDY</b>
<sup>12</sup> Dedicated Acres <b>322.84</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p><sup>16</sup></p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 591136.4 - E: 574357.7 LAT: 32.6250383° N LONG: 104.2260784° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 330' FSL &amp; 100' FWL - SEC 30 N: 591056.3 - E: 575106.8 LAT: 32.6248158° N LONG: 104.2236456° W</p> <p><u>LAST TAKE POINT (LTP)</u> 330' FSL &amp; 100' FEL - SEC 29 N: 591234.5 - E: 585443.8 LAT: 32.6252720° N LONG: 104.1900689° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 591235.6 - E: 585493.7 LAT: 32.6252748° N LONG: 104.1899066° W</p> <p>J: FOUND BRASS CAP "1941" N: 593538.2 - E: 585560.2 K: FOUND BRASS CAP "1941" N: 590906.8 - E: 585541.3 L: FOUND BRASS CAP "1941" N: 590849.0 - E: 582921.0 M: FOUND BRASS CAP "1941" N: 590871.3 - E: 580314.9 N: FOUND BRASS CAP "1941" N: 590726.0 - E: 577724.3 O: FOUND BRASS CAP "1941" N: 590726.4 - E: 575003.7 P: FOUND BRASS CAP "1941" N: 590780.1 - E: 572365.3 Q: FOUND BRASS CAP "1941" N: 593357.1 - E: 575028.3 R: FOUND BRASS CAP "1941" N: 593498.9 - E: 580342.6 I: FOUND BRASS CAP "1941" N: 596170.1 - E: 585579.7</p>		<p><b><sup>17</sup> OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><b>Sorina L Flores</b> <b>12/6/2022</b> Signature Date <b>SORINA L FLORES</b> Printed Name <b>sorina.flores@apachecorp.com</b> E-mail Address</p>		<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>04/28/2021</b> Date of Survey Signature and Seal of Professional Surveyor <b>DALE E. BELL</b> <b>NEW MEXICO</b> <b>PROFESSIONAL SURVEYOR</b> <b>14400</b> <b>12/06/2022</b> Certificate Number REV: SL MOVE - 09/26/22 Job No.: LS21040406R</p>	
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<sup>1</sup> API Number <b>30-025-015-50202</b>	<sup>2</sup> Pool Code <b>97569</b>	<sup>3</sup> Pool Name <b>WINCHESTER; BONE SPRING, WEST</b>
<sup>4</sup> Property Code <b>333585</b>	<sup>5</sup> Property Name <b>PALMILLO 29-30 STATE COM</b>	
<sup>7</sup> OGRID NO. <b>873</b>	<sup>8</sup> Operator Name <b>APACHE CORPORATION</b>	<sup>6</sup> Well Number <b>375H</b>
		<sup>9</sup> Elevation <b>3473'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>A</b>	<b>25</b>	<b>19S</b>	<b>27E</b>		<b>730</b>	<b>NORTH</b>	<b>445</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>29</b>	<b>19S</b>	<b>28E</b>		<b>630</b>	<b>NORTH</b>	<b>50</b>	<b>EAST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
<b>323.08</b>			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p><sup>16</sup></p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 595268.0 - E: 574601.6 LAT: 32.6363943° N LONG: 104.2252726° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 630' FNL &amp; 100' FWL - SEC 30 N: 595361.2 - E: 575147.3 LAT: 32.6366488° N LONG: 104.2234997° W</p> <p><u>LAST TAKE POINT (LTP)</u> 630' FNL &amp; 100' FEL - SEC 29 N: 595539.3 - E: 585475.1 LAT: 32.6371045° N LONG: 104.1899483° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 595539.8 - E: 585525.1 LAT: 32.6371057° N LONG: 104.1897859° W</p>	<p>J: FOUND BRASS CAP "1941" N: 593538.2 - E: 585560.2</p> <p>K: FOUND BRASS CAP "1941" N: 590906.8 - E: 585541.3</p> <p>L: FOUND BRASS CAP "1941" N: 590849.0 - E: 582921.0</p> <p>M: FOUND BRASS CAP "1941" N: 590871.3 - E: 580314.9</p> <p>N: FOUND BRASS CAP "1941" N: 590726.0 - E: 577724.3</p> <p>O: FOUND BRASS CAP "1941" N: 590726.4 - E: 575003.7</p> <p>P: FOUND BRASS CAP "1941" N: 590780.1 - E: 572365.3</p> <p>Q: FOUND BRASS CAP "1941" N: 593357.1 - E: 575028.3</p> <p>R: FOUND BRASS CAP "1941" N: 593498.9 - E: 580342.6</p> <p>I: FOUND BRASS CAP "1941" N: 596170.1 - E: 585579.7</p>	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><b>Sorina L Flores</b> 12/6/2022 Signature Date <b>SORINA L FLORES</b> Printed Name <b>sorina.flores@apachecorp.com</b> E-mail Address</p>
	<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>04/28/2021</b> Date of Survey Signature and Seal of Professional Surveyor</p>	<p><b>DALE E. BELL</b> NEW MEXICO PROFESSIONAL SURVEYOR 14400 12/06/2022</p>
	<p><b>14400</b> Certificate Number REV: SL MOVE - 09/26/2022</p>	<p><b>Job No.: LS21040394R</b></p>
	<p><b>16</b></p> <p><u>LOT 1</u> 43.08 Ac. <u>LOT 2</u> 43 Ac. <u>LOT 3</u> 42.92 Ac. <u>LOT 4</u> 42.84 Ac.</p> <p><u>CALCULATED POINTS</u> 1: N: 594854.2 - E: 585560.0 2: N: 594809.6 - E: 580355.6 3: N: 594855.6 - E: 564471.2</p>	

District I  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
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District Office

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015- 50210</b>		<sup>2</sup> Pool Code <b>97569</b>	<sup>3</sup> Pool Name <b>WINCHESTER; BONE SPRING, WEST</b>
<sup>4</sup> Property Code <b>333585</b>	<sup>5</sup> Property Name <b>PALMILLO 29-30 STATE COM</b>		<sup>6</sup> Well Number <b>376H</b>
<sup>7</sup> OGRID NO. <b>873</b>	<sup>8</sup> Operator Name <b>APACHE CORPORATION</b>		<sup>9</sup> Elevation <b>3470'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>I</b>	<b>25</b>	<b>19S</b>	<b>27E</b>		<b>2570</b>	<b>NORTH</b>	<b>750</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>H</b>	<b>29</b>	<b>19S</b>	<b>28E</b>		<b>2090</b>	<b>NORTH</b>	<b>50</b>	<b>EAST</b>	<b>EDDY</b>

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
323			

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p><b>CORNER DATA</b></p> <p>NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1941" N: 590834.2 - E: 569728.4</p> <p>B: FOUND BRASS CAP "1941" N: 593464.9 - E: 569747.2</p> <p>C: FOUND BRASS CAP "1941" N: 596098.3 - E: 569768.4</p> <p>D: FOUND BRASS CAP "1941" N: 596043.6 - E: 572411.3</p> <p>E: FOUND BRASS CAP "1941" N: 595988.5 - E: 575053.3</p> <p>F: FOUND BRASS CAP "1941" N: 596055.5 - E: 577761.8</p> <p>G: FOUND BRASS CAP "1941" N: 596120.3 - E: 580368.7</p> <p>H: FOUND BRASS CAP "1941" N: 596144.1 - E: 582974.0</p> <p>I: FOUND BRASS CAP "1941" N: 596170.1 - E: 585579.7</p> <p>J: FOUND BRASS CAP "1941" N: 593538.2 - E: 585560.2</p> <p>K: FOUND BRASS CAP "1941" N: 590906.8 - E: 585541.3</p> <p>L: FOUND BRASS CAP "1941" N: 590849.0 - E: 582921.0</p> <p>M: FOUND BRASS CAP "1941" N: 590871.3 - E: 580314.9</p> <p>N: FOUND BRASS CAP "1941" N: 590726.0 - E: 577724.3</p> <p>O: FOUND BRASS CAP "1941" N: 590726.4 - E: 575003.7</p> <p>P: FOUND BRASS CAP "1941" N: 590780.1 - E: 572365.3</p> <p>Q: FOUND BRASS CAP "1941" N: 593357.1 - E: 575028.3</p> <p>R: FOUND BRASS CAP "1941" N: 593498.9 - E: 580342.6</p>	<p align="center"><b>17 OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p align="right"><b>Sorina L Flores</b>    12/6/2022</p> <hr/> <p>Signature _____ Date _____</p> <p align="center"><b>SORINA L FLORES</b></p> <p>Printed Name _____</p> <p align="center"><b>sorina.flores@apachecorp.com</b></p> <p>Email Address _____</p>
<p><b>GEODETIC DATA</b></p> <p>NAD 83 GRID - NM EAST</p> <p><b>SURFACE LOCATION (SL)</b></p> <p>N: 593434.9 - E: 574279.5 LAT: 32.6313563° N LONG: 104.2263251° W</p> <p><b>FIRST TAKE POINT (FTP)</b></p> <p>2090' FNL &amp; 100' FWL - SEC 30</p> <p>N: 593901.6 - E: 575133.4 LAT: 32.6326397° N LONG: 104.2235497° W</p> <p><b>LAST TAKE POINT (LTP)</b></p> <p>2090' FNL &amp; 100' FEL - SEC 29</p> <p>N: 594079.7 - E: 585464.3 LAT: 32.6330925° N LONG: 104.1899897° W</p> <p><b>BOTTOM HOLE (BH)</b></p> <p>N: 594080.2 - E: 585514.3 LAT: 32.6330937° N LONG: 104.1898274° W</p>	<p align="center"><b>18 SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p align="right"><b>04/28/2021</b></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <div style="text-align: center;">   <b>DALE E. BELL</b>        NEW MEXICO        PROFESSIONAL SURVEYOR        14400        12/06/2022     </div> <p align="right"><b>14400</b></p> <p>Certificate Number _____</p> <p align="right"><b>REV: SL MOVE - 09/26/2022</b></p>

**CALCULATED POINTS**

- 1: N: 594854.2 - E: 585570.0
- 2: N: 594809.6 - E: 580355.6
- 3: N: 594672.8 - E: 575040.8



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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-015-50214</b>		<sup>2</sup> Pool Code <b>97569</b>	<sup>3</sup> Pool Name <b>WINCHESTER; BONE SPRING, WEST</b>
<sup>4</sup> Property Code <b>333585</b>	<sup>5</sup> Property Name <b>PALMILLO 29-30 STATE COM</b>		<sup>6</sup> Well Number <b>377H</b>
<sup>7</sup> OGRID NO. <b>873</b>	<sup>8</sup> Operator Name <b>APACHE CORPORATION</b>		<sup>9</sup> Elevation <b>3470'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>I</b>	<b>25</b>	<b>19S</b>	<b>27E</b>		<b>2660</b>	<b>NORTH</b>	<b>750</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>29</b>	<b>19S</b>	<b>28E</b>		<b>1760</b>	<b>SOUTH</b>	<b>50</b>	<b>EAST</b>	<b>EDDY</b>
<sup>12</sup> Dedicated Acres <b>322.92</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p><sup>16</sup></p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 593344.9 - E: 574278.7 LAT: 32.6311090° N LONG: 104.2263279° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 1760' FSL &amp; 100' FWL - SEC 30 N: 592485.8 - E: 575120.1 LAT: 32.6287453° N LONG: 104.2235975° W</p> <p><u>LAST TAKE POINT (LTP)</u> 1760' FSL &amp; 100' FEL - SEC 29 N: 592664.1 - E: 585454.0 LAT: 32.6292015° N LONG: 104.1900293° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 592665.2 - E: 585504.0 LAT: 32.6292044° N LONG: 104.1898669° W</p> <p><u>FOUND BRASS CAP "1941"</u> A: 590834.2 - E: 569728.4 B: 593464.9 - E: 569747.2 C: 596098.3 - E: 569768.4 D: 596043.6 - E: 572411.3 E: 595988.5 - E: 575053.3 F: 596055.5 - E: 577761.8 G: 596120.3 - E: 580368.7 H: 596144.1 - E: 582974.0 I: 596170.1 - E: 585579.7 J: 593538.2 - E: 585560.2 K: 590906.8 - E: 585541.3 L: 590849.0 - E: 582921.0 M: 590871.3 - E: 580314.9 N: 590726.0 - E: 577724.3 O: 590726.4 - E: 575003.7 P: 590780.1 - E: 572365.3 Q: 593357.1 - E: 575028.3 R: 593498.9 - E: 580342.6</p>		<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><b>Sorina L Flores</b> <b>12/6/2022</b></p> <p>Signature Date</p> <p><b>SORINA L FLORES</b></p> <p>Printed Name</p> <p><b>sorina.flores@apachecorp.com</b></p> <p>E-mail Address</p>	
<p><u>LOT 1</u> 43.08 Ac. <u>LOT 2</u> 43 Ac. <u>LOT 3</u> 42.92 Ac. <u>LOT 4</u> 42.84 Ac.</p> <p><u>CALCULATED POINTS</u> 1: N: 592222.5 - E: 585550.8 2: N: 592185.1 - E: 580328.8 3: N: 592041.7 - E: 575016.0</p>		<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>04/28/2021</b></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><b>DALE E. BELL</b> NEW MEXICO PROFESSIONAL SURVEYOR 14400 12/06/2022</p> <p><b>14400</b></p> <p>Certificate Number</p> <p><b>REV: SL MOVE - 09/26/2022</b></p>	

Job No.: LS21040402R1

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WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-50216</b>	<sup>2</sup> Pool Code <b>97569</b>	<sup>3</sup> Pool Name <b>WINCHESTER; BONE SPRING, WEST</b>
<sup>4</sup> Property Code <b>333585</b>	<sup>5</sup> Property Name <b>PALMILLO 29-30 STATE COM</b>	<sup>6</sup> Well Number <b>378H</b>
<sup>7</sup> OGRID NO. <b>873</b>	<sup>8</sup> Operator Name <b>APACHE CORPORATION</b>	<sup>9</sup> Elevation <b>3458'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
<b>P</b>	<b>25</b>	<b>19S</b>	<b>27E</b>		<b>427</b>	<b>SOUTH</b>	<b>650</b>	<b>EAST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>29</b>	<b>19S</b>	<b>28E</b>		<b>360</b>	<b>SOUTH</b>	<b>50</b>	<b>EAST</b>	<b>EDDY</b>
<sup>12</sup> Dedicated Acres <b>322.84</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

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<p><b>16</b></p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 591166.5 - E: 574358.0 LAT: 32.6251209° N LONG: 104.2260774° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 360' FSL &amp; 100' FWL - SEC 30 N: 591086.2 - E: 575107.1 LAT: 32.6248983° N LONG: 104.2236446° W</p> <p><u>LAST TAKE POINT (LTP)</u> 360' FSL &amp; 100' FEL - SEC 29 N: 591264.5 - E: 585444.0 LAT: 32.6253544° N LONG: 104.1900681° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 591265.6 - E: 585493.9 LAT: 32.6253572° N LONG: 104.1899058° W</p> <p>J: FOUND BRASS CAP "1941" N: 593538.2 - E: 585560.2 K: FOUND BRASS CAP "1941" N: 590906.8 - E: 585541.3 L: FOUND BRASS CAP "1941" N: 590849.0 - E: 582921.0 M: FOUND BRASS CAP "1941" N: 590871.3 - E: 580314.9 N: FOUND BRASS CAP "1941" N: 590726.0 - E: 577724.3 O: FOUND BRASS CAP "1941" N: 590726.4 - E: 575003.7 P: FOUND BRASS CAP "1941" N: 590780.1 - E: 572365.3 Q: FOUND BRASS CAP "1941" N: 593357.1 - E: 575028.3 R: FOUND BRASS CAP "1941" N: 593498.9 - E: 580342.6 I: FOUND BRASS CAP "1941" N: 596170.1 - E: 585579.7</p>	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><b>Sorina L Flores</b> 12/6/2022</p> <p>Signature Date <b>SORINA L FLORES</b> Printed Name <b>sorina.flores@apachecorp.com</b> E-mail Address</p>
<p><u>16</u></p> <p><u>CALCULATED POINTS</u></p> <p>1: N: 592222.5 - E: 585550.8 2: N: 592185.1 - E: 580328.8 3: N: 592041.7 - E: 575016.0</p> <p>LOT 1 43.08 Ac. LOT 2 43 Ac. LOT 3 42.92 Ac. LOT 4 42.84 Ac.</p> <p>427' S.L. 650' LTP</p>	<p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p><b>04/28/2021</b> Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p><b>DALE E. BELL</b> NEW MEXICO PROFESSIONAL SURVEYOR 14400 12/06/2022</p> <p><b>14400</b> Certificate Number</p> <p>REV: SL MOVE - 09/26/2022</p> <p>Job No.: LS21040405R</p>

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



### ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: \_\_\_\_\_ OGRID Number: \_\_\_\_\_  
 Well Name: \_\_\_\_\_ API: \_\_\_\_\_  
 Pool: \_\_\_\_\_ Pool Code: \_\_\_\_\_

### SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL      ☐ NSP (PROJECT AREA)      ☐ NSP (PRORATION UNIT)      ☐ SD

B. Check one only for [ I ] or [ II ]

[ I ] Commingling – Storage – Measurement

☐ DHC    ☐ CTB    ☐ PLC    ☐ PC    ☐ OLS    ☐ OLM

[ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX    ☐ PMX    ☐ SWD    ☐ IPI    ☐ EOR    ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders  
 B. ☐ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☐ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

#### FOR OCD ONLY

- ☐ Notice Complete  
☐ Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

\_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
 Signature

*alicia fulton*

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Phone Number

\_\_\_\_\_  
 e-mail Address



Affidavit of Publication

No. 26529

State of New Mexico	
County of Eddy:	
<b>Danny Scott</b>	<b>Publisher</b>
being duly sworn says that he is the	
owner of Artesia Daily Press, a daily newspaper of General	
circulation, published in English at Artesia, said county	
and state, and that the hereto attached	
<b>Legal Ad</b>	
was published in a regular and entire issue of the said	
Artesia Daily Press, a daily newspaper duly qualified	
for that purpose within the meaning of Chapter 167 of	
the 1937 Session Laws of the state of New Mexico for	
1	Consecutive weeks/day on the same
day as follows:	
First Publication	May 11, 2023
Second Publication	
Third Publication	
Fourth Publication	
Fifth Publication	
Sixth Publication	
Seventh Publication	

Subscribed and sworn before me this      May      2023

23rd      day of

LATISHA ROMINE  
Notary Public, State of New Mexico  
Commission No. 1076338  
My Commission Expires  
05-12-2027

*Latisha Romine*

Latisha Romine  
Notary Public, Eddy County, New Mexico

Copy of Publication:

**Legal Notice**  
Notice of Publication Palmito 29-30 STATE COM  
APACHE CORPORATION, 303 VETERANS AIR-  
PARK LANE, MIDLAND TX 79705, SR. REGULA-  
TORY ANALYST ALICIA FULTON 432-818-1088,  
IS APPLYING TO THE NEW MEXICO OIL CON-  
SERVATION DIVISION FOR ADMINISTRATIVE  
APPROVAL OF SURFACE COMMINGLED APPLI-  
CATION FOR THE PALMITO 29-30 STATE COM  
THE PALMITO 29-30 CTB FACILITY IS LOCAT-  
ED IN SECTION 25, T19S, R27E EDDY COUN-  
TY, NEW MEXICO AND THE PALMITO 29-30  
STATE COM WELLS 271H, 375H, 272H, 376H,  
273H, 377H, 274H AND 378H COMMINGLED  
PRODUCTION FROM THE WINCHESTER; BONE  
SPRING WEST (POOL 97569) LOCATED IN SEC-  
TIONS 29 AND 30 T19S, R28E EDDY COUNTY,  
NEW MEXICO. PRODUCTION WILL BE ALLO-  
CATED BY WELL TEST. INTERESTED PARTIES  
MUST FILE OBJECTIONS OR REQUESTS FOR  
HEARING IN WRITING WITH THE DIVISIONS  
SANTA FE OFFICE 1220 SOUTH ST. FRANCIS  
DRIVE, SANTA FE, NEW MEXICO 87505 WITH-  
IN 20 DAYS AFTER PUBLICATION, OR THE  
DIVISION MAY APPROVE THE APPLICATION.  
Published in the Artesia Daily Press, Artesia, N.M.,  
May 11, 2023 Legal No. 26529.



**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Fulton, Alicia](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [Dawson, Scott](#); [Lamkin, Baylen L.](#)  
**Subject:** Approved Administrative Order CTB-1092  
**Date:** Thursday, June 15, 2023 3:04:46 PM  
**Attachments:** [CTB1092 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1092 which authorizes Apache Corporation (873) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-50201	Palmillo 29 30 State #271H	N/2 N/2	29-19S-28E	97569
		N/2 N/2	30-19S-28E	
30-015-50211	Palmillo 29 30 State #272H	S/2 N/2	29-19S-28E	97569
		S/2 N/2	30-19S-28E	
30-015-50213	Palmillo 29 30 State #273H	N/2 S/2	29-19S-28E	97569
		N/2 S/2	30-19S-28E	
30-015-50215	Palmillo 29 30 State #274H	S/2 S/2	29-19S-28E	97569
		S/2 S/2	30-19S-28E	
30-015-50202	Palmillo 29 30 State #375H	N/2 N/2	29-19S-28E	97569
		N/2 N/2	30-19S-28E	
30-015-50210	Palmillo 29 30 State #376H	S/2 N/2	29-19S-28E	97569
		S/2 N/2	30-19S-28E	
30-015-50214	Palmillo 29 30 State #377H	N/2 S/2	29-19S-28E	97569
		N/2 S/2	30-19S-28E	
30-015-50216	Palmillo 29 30 State #378H	S/2 S/2	29-19S-28E	97569
		S/2 S/2	30-19S-28E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211

**From:** [Fulton, Alicia](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** [EXTERNAL] RE: Action ID: 186377; CTB-1092  
**Date:** Tuesday, May 23, 2023 12:09:11 PM  
**Attachments:** [Affidavit.pdf](#)

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**CAUTION:** This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good Afternoon Dean,

I am attaching the publication and affidavit for the Palmillo 29-30 commingle application. This should be everything that was requested along with the information submitted on 5/4/2023.

Please let me know if you need anything else to approve.

Thank you,  
Alicia Fulton  
Sr. Regulatory Analyst  
Apache Corporation  
432-818-1088

---

**From:** Fulton, Alicia  
**Sent:** Thursday, May 4, 2023 9:23 AM  
**To:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>  
**Subject:** RE: Action ID: 186377; CTB-1092

Good Morning Dean,

I have attached an updated C107B.

We are not able to find a better address for the ML Boling Development nor do we have any contact information so I will be publishing the newspaper and will send over the affidavit and clipping once I receive them.

The CA packets are still pending approval.

The location of the battery is: Section 25,T19S,R27E NW/SE UNIT LETTER J

All Sales meters are at battery

This should answer all the questions you had. The ad won't run till next Thursday so I will send to you once I get it.

Thank you,  
Alicia Fulton  
Sr. Regulatory Analyst  
Apache Corporation  
432-818-1088

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**From:** McClure, Dean, EMNRD <[Dean.McClure@emnrd.nm.gov](mailto:Dean.McClure@emnrd.nm.gov)>

**Sent:** Wednesday, May 3, 2023 9:45 AM

**To:** Fulton, Alicia <[Alicia.Fulton@apachecorp.com](mailto:Alicia.Fulton@apachecorp.com)>

**Subject:** [EXTERNAL] Action ID: 186377; CTB-1092

To whom it may concern (c/o Alicia Fulton for Apache Corporation),

The Division is reviewing the following application:

<b>Action ID</b>	186377
<b>Admin No.</b>	CTB-1092
<b>Applicant</b>	Apache Corporation (873)
<b>Title</b>	Palmillo 29 30 Central Tank Battery
<b>Sub. Date</b>	03/06/2023

Please provide the following additional supplemental documents:

- CA Packets for the following tracts of land (the CAs do not seem to be on record with the NMSLO):

<b>Pooled Area</b>	<b>UL or Q/Q</b>	<b>S-T-R</b>
<b>CA Bone Spring NMSLO</b>	N/2 N/2	29-19S-28E
	N/2 N/2	30-19S-28E
<b>CA Bone Spring NMSLO</b>	S/2 N/2	29-19S-28E
	S/2 N/2	30-19S-28E
<b>CA Bone Spring NMSLO</b>	N/2 S/2	29-19S-28E
	N/2 S/2	30-19S-28E
<b>CA Bone Spring NMSLO</b>	S/2 S/2	29-19S-28E
	S/2 S/2	30-19S-28E

- A copy of the packet which was provided to each of the interest owners (Field B4 "measurement type" is incorrectly filled out on Form C-107B; it should state "Other (Specify) Well Test" rather than checking the "Metering" selection).

Please provide additional information regarding the following:

- The location of the battery including the quarter-quarter
- The location of any sales meters if they are not located at the battery
- Confirm that notice of this application was provided to each of the interest owners below at their correct addresses (or diversly that public notice was provided in lieu of finding their correct addresses; additionally, written confirmation from each person of receipt and/or no protest will be sufficient):

<b>3/3/2023</b>	<b>ML Boling Development, LLC</b>	<b>PO Box 1514 Roswell, NM 88202</b>	<b>7017 2400 0000 6116 4740</b>	<b>Returned</b>
<b>3/2/2023</b>	<b>Boling Enterprise, Ltd.</b>	<b>PO Box 2563 Roswell, NM 88201</b>	<b>7017 2400 0000 6116 4757</b>	<b>Returned</b>
<b>2/25/2023</b>	<b>S.K. Lawlis</b>	<b>PO Box 1889 Midland, TX 79702</b>	<b>7017 2400 0000 6116 4771</b>	<b>Attempt</b>
<b>2/25/2023</b>	<b>VF Petroleum, Inc.</b>	<b>PO Box 1889 Midland, TX 79702</b>	<b>7017 2400 0000 6116 4788</b>	<b>Attempt</b>
<b>2/25/2023</b>	<b>Westway Ranches, LLC</b>	<b>PO Box 10282 Midland, TX 79702</b>	<b>7017 2400 0000 6116 4917</b>	<b>Attempt</b>

Additional notes:

- 

All additional supplemental documents and information may be provided via email and should be done by replying to this email. The produced email chain will be uploaded to the file for this application.

Please note that failure to take steps to address each of the requests made in this email within 10 business days of

receipt of this email may result in the Division rejecting the application requiring the submittal of a new application by the applicant once it is prepared to address each of the topics raised.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211

**CAUTION:** This email originated outside of Apache. **DO NOT CLICK** on links or attachments unless you know the content is safe and relevant to Apache business. If you are unsure about this message, click "Report Phish" in Outlook or send to [phish@apachecorp.com](mailto:phish@apachecorp.com)

TRACKING NUMBER	<a href="#">636585341660</a>
FROM	Apache Corporation 303 Veteran's Airpark Lane Midland, TX, US, 79705
TO	COMMINGLE MANAGER SCOTT DAWSON NEW MEXICO STATE LAND OFFICE 310 OLD SANTA FE TRAIL SANTA FE, NM, US, 87501
DEPARTMENT NUMBER	REGULATORY
REFERENCE	REGULATORY
SHIPPER REFERENCE	REGULATORY
PACKAGING TYPE	FedEx Envelope
ORIGIN	Midland, TX, 79705
DESTINATION	SANTA FE, NM, US, 87501
SPECIAL HANDLING	Deliver Weekday ASR
STANDARD TRANSIT	Mon, 03/06/2023 by 10:30am
NUMBER OF PIECES	1
TOTAL SHIPMENT WEIGHT	1.00 LB
SERVICE TYPE	FedEx Priority Overnight



May 16<sup>th</sup>, 2023

New Mexico State Land Office  
Attn: Baylen Lamkin  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

RE: Communitization Agreement  
Palmillo 29-30 State Com 271H  
API 30-015-50201  
Secs 29 and 30, T19S, R28E  
Eddy County, New Mexico

Dear Mr. Lamkin:

Apache Corporation requests your approval to communitize the above referenced well. Please find enclosed two originals of the fully executed Communitization Agreement for the Palmillo 29-30 State Com 271H (API 30-015-50201) and a copy of the Pooling Order, located in in the N/2N/2 of Sections 29 and 30, T19S, R28E, in Eddy County, New Mexico, along with a check in the amount of \$200.00.

The following well will also be included in the same communitization agreement as an infill well:

Palmillo State 29-30 State Com #375H      30-015-50202

Please return one copy of the approved agreement to the address listed below. My contact information is also below should you have any questions concerning this agreement.

Sincerely,

A handwritten signature in blue ink, appearing to read "Blake Johnson".

Blake Johnson  
direct 281-302-2606  
[blake.johnson@apachecorp.com](mailto:blake.johnson@apachecorp.com)  
**APACHE CORPORATION**  
2000 Post Oak Blvd #100  
Houston, Texas 77056

APACHE CORPORATION  
2000 POST OAK BLVD, SUITE 100  
HOUSTON, TX 77056



Page 1 of 1

## Return Service Requested



000068 R3N5TDA  
COMMISSIONER OF PUBLIC LANDS  
STATE OF NEW MEXICO  
P O BOX 1148  
SANTA FE NM 87504-1148

Date: 05/15/2023  
Check #: 1503622  
Payment Amount: 200.00  
Vendor #: 9531234503

## Remittance Advice

Invoice Date	Invoice #	Invoice Gross Amt	Discount Amount	Invoice Net Amt
05/11/2023	3043	200.00	0.00	200.00

PLEASE DETACH BEFORE DEPOSITING CHECK

THIS CHECK CONTAINS MULTIPLE FRAUD DETERRENT SECURITY FEATURES

APACHE CORPORATION  
2000 POST OAK BLVD, SUITE 100  
HOUSTON, TX 77056

56-382/412



Date: 05/15/2023  
Check #: 1503622

Pay Exactly \*\*Two Hundred and 00/100 -US Dollars \*\*

Amount

\$\*\*\*\*\*200.00

TO THE ORDER OF  
COMMISSIONER OF PUBLIC LANDS  
STATE OF NEW MEXICO

VOID AFTER 180 DAYS

WELLS FARGO BANK, N.A.

Authorized Signer

⑈0001503622⑈ ⑆041203824⑆9600106744⑈

**NM State Land Office**  
**Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised December 2021

## COMMUNITIZATION AGREEMENT

### ONLINE Version

**KNOW ALL PERSONS BY THESE PRESENTS:**

API #: 30-0 15 - 50201

STATE OF NEW MEXICO )  
SS) Well Name: Palmillo 29-30 State Com 271H

COUNTY OF Eddy )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) January 1 \_\_\_\_\_, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Winchester; Bone Spring, West formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE  
version  
December 9, 2021

State/State

1



NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: A,B,C,D of Section 29 and A,B,C, Unit 1 of Section 30

Of Sect(s): 29 & 30 Twp: 19S Rng: 28E NMPM Eddy County, NM

Containing 323.08 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. Apache Corporation shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Apache Corporation.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: Apache Corporation

OPERATOR: Apache Corporation

BY: Justin R. Matthews Attorney in Fact (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)  
BTS /m

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ Date  
By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

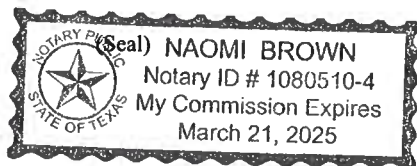
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of TEXAS )  
County of HARRIS )

This instrument was acknowledged before me on January 24, 2023 Date  
By: Justin R. Matthews, Attorney in Fact of Apache Corporation.  
Name(s) of Person(s)




[Signature] Signature of Notarial Officer

My commission expires: 3.21.2025

**Lease # and Lessee of Record:** VB-978-0 Cimarex Energy Co.

BY: Bradley Cartrell, Attorney-in-Fact (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)

RCM  
DP

### Acknowledgment in an Individual Capacity

State of )  
County of )  
SS)

This instrument was acknowledged before me on

Date \_\_\_\_\_

By

Name(s) of Person(s)

(Seat)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

State of Texas )  
 )  
 ) SS)  
County of Midland )

This instrument was acknowledged before me on

Date: March 9, 2023

By: Bradley Cantrell, Attorney-In-Fact of Cimarex Energy Co.  
Name(s) of Person(s)

Name(s) of Person(s)



Karin Brownlee  
Signature of Notarial Officer

Signature of Notarial Officer

My commission expires: 3/26/2023

Lease # and Lessee of Record: E0-7644-2 XTO Holdings, LLC

BY: Angie Repka - Commercial and Land Manager (Name and Title of Authorized Agent)  
Agent and Attorney-in-Fact

[Signature] (Signature of Authorized Agent) [Signature]

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ Date

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

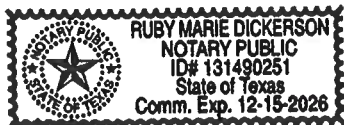
State of TEXAS )  
County of HARRIS )

This instrument was acknowledged before me on \_\_\_\_\_ Date: April 24, 2023

By: Angie Repka, Agent and Attorney-in-Fact of XTO Holdings, LLC, a Delaware Limited Liability Company, on behalf of said limited liability company.  
Name(s) of Person(s)

[Signature]  
Signature of Notarial Officer

My commission expires: 12-15-2026




(Seal)


ONLINE  
version  
December 9, 2021

State/State



 (Signature of Authorized Agent)



  
Signature of Notarial Officer

State/State

Lease # and Lessee of Record: L0-6702-3 EOG Resources Inc  
BY: Matthew Smith (Name and Title of Authorized Agent)  
Agent and Attorney-in-Fact  
[Signature] (Signature of Authorized Agent)

**Acknowledgment in an Individual Capacity**

State of )  
SS)  
County of )

This instrument was acknowledged before me on

Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of Texas )  
SS)  
County of Midland )

This instrument was acknowledged before me on

Date: 2/16/2023

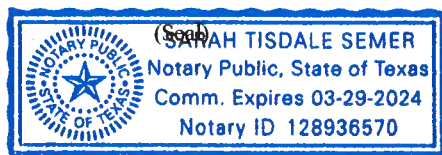
By: Matthew Smith

Name(s) of Person(s)

[Signature]

Signature of Notarial Officer

My commission expires: March 29, 2024



**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated January 1, 2023, by and between Apache Corporation, (Operator) Cimarex Energy Co, XTO Holdings LLC, WPX Energy Permian, LLC, EOG Resources Inc, (Record Title Holders/Lessees of Record) covering the Subdivisions : A,B,C,D of Section 29 and A,B,C, Unit 1 of Section 30 Sect(s): 29 and 30, Twnshp 19S, Rnge 28E, NMPM Eddy County, NM Limited in depth from \_\_\_\_\_ ft to \_\_\_\_\_ ft. (enter here what is granted in pooling order if applicable)

OPERATOR of Communitized Area: Apache Corporation

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Lessor: \_\_\_\_\_ State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Cimarex Energy Co.

Serial No. of Lease: VB-978-0

Date of Lease: August 1, 2006

Description of Lands Committed:

Subdivisions: A,D

Sect(s): 29 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 80

**TRACT NO. 2**

Lessor: \_\_\_\_\_ State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: XTO Holdings LLC.

Serial No. of Lease: E0-7644-2

Date of Lease: December 15, 1953

Description of Lands Committed:

Subdivisions: B, C of Section 29 and C of Section 30

Sect(s): 29 and 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 120

**TRACT NO. 3**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: WPX Energy Permian, LLC.Serial No. of Lease: X0-648-154Date of Lease: November 11, 1922

Description of Lands Committed:

Subdivisions: A, BSect(s): 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 80**TRACT NO. 4**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: EOG Resources Inc.Serial No. of Lease: L0-6702-3Date of Lease: November 1, 1971

Description of Lands Committed:

Subdivisions: Unit 1Sect(s): 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 43.08**RECAPITULATION**

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	<u>80</u>	<u>24.76167%</u>
No. 2	<u>120</u>	<u>37.14250%</u>
No. 3	<u>80</u>	<u>24.76167%</u>
No. 4	<u>43.08</u>	<u>13.33416%</u>
TOTALS	<u>323.08</u>	<u>100%</u>

Attached to and made part of that certain Communitization Agreement dated January 1, 2023, by and between **Apache Corporation as Operator and Cimarex Energy Co., et al.**

Tract 4: State Lease: L0-6702-3 NWNW	Tract 2: State Lease: E0-7644-2 NENW	Tract 3: State Lease: X0-648-154 NENE, NWNE	Tract 1: State Lease: VB-978-0 NWNW	Tract 2: State Lease: E0-7644-2 NWNE, NENW	Tract 1: State Lease: VB-978-0 NENE
Section 30-T19S-R28E			Section 29-T19S-R28E		

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
APACHE CORPORATION**

**CASE NO. 21727  
ORDER NO. R-21977**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Apache Corporation ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the



depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 21727  
ORDER NO. R-21977

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well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
ADRIENNE SANDOVAL  
DIRECTOR  
AES/jag

Date: 1/26/2022

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Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21727	APPLICANT'S RESPONSE
Date: November 5, 2021	
Applicant	Apache Corporation
Designated Operator & OGRID (affiliation if applicable)	Apache Corporation (OGRID 873)
Applicant's Counsel:	Holland & Hart LLP
Case Title: BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. B Submitted by: Apache Corporation Hearing Date: November 05, 2021 Case Nos. 21727-21730	APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Colgate Operating, LLC EOG Resources, Inc. Cimarex Energy Co. XTO Holdings LLC
Well Family	Palmillo 29-30 State Com #271H, #375H
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Palmillo; Bone Spring, SW [Pool Code 96413]
Well Location Setback Rules:	Statewide Setbacks for Oil
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	quart-quarter sections
Orientation:	West-East
Description: TRS/County	N/2 N/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit C: Slides 3, 4 and 5
Well(s)	

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Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<p><b>Palmillo 29-30 State Com #271H well</b> (API pending)</p> <p>SHL: 790 FNL and 445 FEL, Unit A, of Section 25, T-19-S, R-27-E, NMPM. BHL: 660 FNL and 50 FEL, Unit A, of Section 29, T-19-S, R-28-E, NMPM.</p> <p>Completion Target: Bone Spring formation Well Orientation: West-East Completion Location: Standard</p>
Well #2	<p><b>Palmillo 29-30 State Com #375H well</b> (API pending)</p> <p>SHL: 820 FNL and 445 FEL, Unit A, of Section 29, T-19-S, R-27-E, NMPM. BHL: 630 FNL and 50 FEL, Unit A, of Section 29, T-19-S, R-28-E, NMPM.</p> <p>Completion Target: Bone Spring formation Well Orientation: West-East Completion Location: Standard</p>
Horizontal Well First and Last Take Points	Exhibit D-1
Completion Target (Formation, TVD and MD)	Exhibit D-2
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit D
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit H
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit H
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit I
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C: Slides 3, 4 and 5
Tract List (including lease numbers and owners)	Exhibit C: Slides 3, 4 and 5
Pooled Parties (including ownership type)	Exhibit C: Slides 3, 4 and 5
Unlocatable Parties to be Pooled	Exhibit H

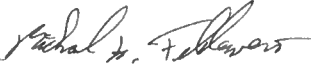
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Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit D-2
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C: Slides 3, 4 and 5
Chronology of Contact with Non-Joined Working Interests	Exhibit D-3
Overhead Rates In Proposal Letter	Exhibit D-2
Cost Estimate to Drill and Complete	Exhibit D-2
Cost Estimate to Equip Well	Exhibit D-2
Cost Estimate for Production Facilities	Exhibit D-2
<b>Geology</b>	
Summary (including special considerations)	Exhibit E
Spacing Unit Schematic	Exhibit C: Slides 1 and 8
Gunbarrel/Lateral Trajectory Schematic	Exhibit C: Slides 1 and 8
Well Orientation (with rationale)	Exhibit E
Target Formation	Exhibit E
HSU Cross Section	Exhibit C: Slides 12-15
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit D-1
Tracts	Exhibit C: Slides 3, 4 and 5
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C: Slides 3, 4 and 5
General Location Map (including basin)	Exhibit C: Slides 1 and 8
Well Bore Location Map	Exhibit C: Slides 1 and 8
Structure Contour Map - Subsea Depth	Exhibit C: Slides 12-15
Cross Section Location Map (including wells)	Exhibit C: Slides 12-15
Cross Section (including Landing Zone)	Exhibit C: Slides 12-15
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	1-Nov-21

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May 16<sup>th</sup>, 2023

New Mexico State Land Office  
Attn: Baylen Lamkin  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

RE: Communitization Agreement  
Palmillo 29-30 State Com 273H  
API 30-015-50213  
Secs 29 and 30, T19S, R28E  
Eddy County, New Mexico

Dear Mr. Lamkin:

Apache Corporation requests your approval to communitize the above referenced well. Please find enclosed two originals of the fully executed Communitization Agreement for the Palmillo 29-30 State Com 273H (API 30-015-50213) and a copy of the Pooling Order, located in in the N/2S/2 of Sections 29 and 30, T19S, R28E, in Eddy County, New Mexico, along with a check in the amount of \$200.00.

The following well will also be included in the same communitization agreement as an infill well:

Palmillo State 29-30 State Com #377H      30-015-50214

Please return one copy of the approved agreement to the address listed below. My contact information is also below should you have any questions concerning this agreement.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Johnson".

Blake Johnson  
direct 281-302-2606  
[blake.johnson@apachecorp.com](mailto:blake.johnson@apachecorp.com)  
**APACHE CORPORATION**  
2000 Post Oak Blvd #100  
Houston, Texas 77056

APACHE CORPORATION  
2000 POST OAK BLVD, SUITE 100  
HOUSTON, TX 77056



Page 1 of 1

## Return Service Requested



000070 R3N5TDA  
COMMISSIONER OF PUBLIC LANDS  
STATE OF NEW MEXICO  
P O BOX 1148  
SANTA FE NM 87504-1148

Date: 05/15/2023  
Check #: 1503624  
Payment Amount: 200.00  
Vendor #: 9531234503

## Remittance Advice

Invoice Date	Invoice #	Invoice Gross Amt	Discount Amount	Invoice Net Amt
05/11/2023	3041	200.00	0.00	200.00

PLEASE DETACH BEFORE DEPOSITING CHECK

THIS CHECK CONTAINS MULTIPLE FRAUD DETERRENT SECURITY FEATURES

APACHE CORPORATION  
2000 POST OAK BLVD, SUITE 100  
HOUSTON, TX 77056

56-382/412



Date: 05/15/2023  
Check #: 1503624

Pay Exactly \*\*Two Hundred and 00/100 -US Dollars \*\*

Amount

\$\*\*\*\*\*200.00

TO THE COMMISSIONER OF PUBLIC LANDS  
ORDER STATE OF NEW MEXICO  
OF

VOID AFTER 180 DAYS

WELLS FARGO BANK, N.A.

Authorized Signer

⑈0001503624⑈ ⑆041203824⑆9600106744⑈



**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**  
Revised December 2021

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS: API #: 30-0 15 - 50213

STATE OF NEW MEXICO ) Well Name: Palmillo 29-30 State Com 273H  
SS)

COUNTY OF Eddy )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) January 1, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Winchester; Bone Spring, West formation or pool as defined by the NMOCDD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: I,J,K,L of Section 29 and I,J,K, Unit 3 of Section 30

Of Sect(s): 29 & 30 Twp: 19S Rng: 28E NMPM Eddy County, NM

Containing 322.92 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. Apache Corporation shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Apache Corporation.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: Apache Corporation

OPERATOR: Apache Corporation

BY: Justin R. Matthews Attorney in Fact (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)  
BTS pm

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ Date

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

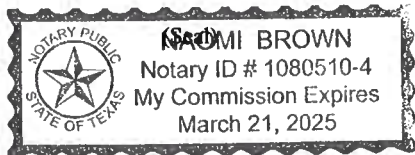
My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of TEXAS )  
County of Harris )

This instrument was acknowledged before me on January 24, 2023 Date

By: Justin R. Matthews, Attorney in Fact for Apache Corporation  
Name(s) of Person(s)




[Signature]  
Signature of Notarial Officer

My commission expires: 3-21-2025



Lease # and Lessee of Record: VB-978-0 Cimarex Energy Co.  
BY: Bradley Cantrell, Attorney-In-Fact (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)

Run

State of )  
County of )  
SS)

Date \_\_\_\_\_

Name(s) of Person(s)

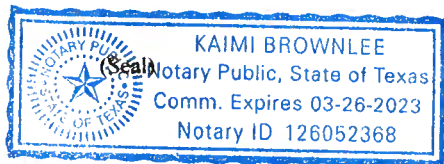
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

State of Texas )  
County of Midland )  
SS)

Date: March 9, 2023

By: Bradley Cantrell, Attorney-In-Fact of Cimarex Energy Co.  
Name(s) of Person(s)



Kimi Brownlee

**Signature of Notarial Officer**

My commission expires: 3/24/2023

Lease # and Lessee of Record: X0-648-154 WPX Energy Permian, LLC  
BY: David M. Korell, Land Manager (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)  
FB

**Acknowledgment in an Individual Capacity**

State of )  
SS)  
County of )

This instrument was acknowledged before me on \_\_\_\_\_ Date

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of OKLAHOMA )  
SS)  
County of OKLAHOMA )

This instrument was acknowledged before me on the 5th of April, 2023, by David M. Korell, as Land Manager of WPX Energy Permian, LLC, a Delaware limited liability company.

(Seal)



[Signature]  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

ONLINE  
version  
December 9, 2021

State/State

LG-2677-2 EOG Resources Inc

Lease # and Lessee of Record: \_\_\_\_\_

BY: Matthew Smith (Name and Title of Authorized Agent)  
Agent and Attorney-in-Fact

\_\_\_\_\_  
(Signature of Authorized Agent)

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on

Date

By

Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of Texas )  
County of Midland )

This instrument was acknowledged before me on

Date: 2/16/2023

By: Matthew Smith

Name(s) of Person(s)

Sarah Tisdale Semer

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: March 29, 2024



**Lease # and Lessee of Record:**

BY: X [Signature] (Name and Title of Authorized Agent)

STEPHEN J. THOMPSON, ATTORNEY-IN-FACT

**(Signature of Authorized Agent)**

### Acknowledgment in an Individual Capacity

State of )  
County of )  
SS)

This instrument was acknowledged before me on

Date \_\_\_\_\_

By

Name(s) of Person(s)

(Seal)

**Signature of Notarial Officer**

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

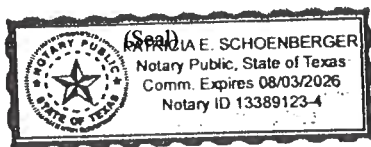
State of Texas )  
County of Harris )  
SS)

This instrument was acknowledged before me on

April 13, 2023 Date: 4/13/2023

By: Stephen J. Thompson

Name(s) of Person(s)



Patience Kirby

**Signature of Notarial Officer**

My commission expires: 8/3/2026

ONLINE  
version  
December 9, 2021

State/State

9

**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated January 1, 2023 by and between Apache Corporation, (Operator) Cimarex Energy Co, Marathon Oil Permian LLC, WPX Energy Permian, LLC, EOG Resources Inc, (Record Title Holders/Lessees of Record) covering the Subdivisions : I,J,K,L of Section 29 and I,J,K, Unit 3 of Section 30  
Sect(s): 29 and 30, Twnshp 19S, Rnge 28E, NMPM Eddy County, NM Limited in depth from \_\_\_\_\_ ft to \_\_\_\_\_ ft. (enter here what is granted in pooling order if applicable)

OPERATOR of Communitized Area: Apache Corporation

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Lessor: \_\_\_\_\_ State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Cimarex Energy Co.

Serial No. of Lease: VB-978-0

Date of Lease: August 1, 2006

Description of Lands Committed:

Subdivisions: K,L

Sect(s): 29 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 80

**TRACT NO. 2**

Lessor: \_\_\_\_\_ State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: WPX Energy Permian LLC.

Serial No. of Lease: X0-648-154

Date of Lease: November 11, 1922

Description of Lands Committed:

Subdivisions: I, J

Sect(s): 29 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 80



**TRACT NO. 3**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: EOG Resources IncSerial No. of Lease: LG-2677-2Date of Lease: March 1, 1975

Description of Lands Committed:

Subdivisions: I, K, and Unit 3Sect(s): 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 122.92**TRACT NO. 4**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: Marathon Oil Permian LLCSerial No. of Lease: L0-6702-5Date of Lease: November 1, 1971

Description of Lands Committed:

Subdivisions: JSect(s): 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 40**RECAPITULATION**

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	<u>80</u>	<u>24.77394%</u>
No. 2	<u>80</u>	<u>24.77394%</u>
No. 3	<u>122.92</u>	<u>38.06516%</u>
No. 4	<u>40</u>	<u>12.38697%</u>
TOTALS	<u>322.92</u>	<u>100%</u>

Attached to and made part of that certain Communitization Agreement dated January 1, 2023, by and between **Apache Corporation as Operator and Cimarex Energy Co., et al.**

Section 30-T19S-R28E			Section 29-T19S-R28E	
Tract 3: State Lease: LG-2677-2 N2SW	Tract 4: State Lease: L0-6702-5 NWSE	Tract 3: State Lease: LG-2677-2 NESE	Tract 1: State Lease: VB-978-0 N2SW	Tract 2: State Lease: X0-648-154 N2SE

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
APACHE CORPORATION**

**CASE NO. 21729  
ORDER NO. R-21979**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Apache Corporation ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 21729  
ORDER NO. R-21979

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well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share



of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR  
AES/jag

Date: 1/26/2022

CASE NO. 21729  
ORDER NO. R-21979

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Exhibit A

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21729	APPLICANT'S RESPONSE
Date: November 5, 2021	
Applicant	Apache Corporation
Designated Operator & OGRID (affiliation if applicable)	Apache Corporation (OGRID 873)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Colgate Operating, LLC EOG Resources, Inc. Cimarex Energy Co. XTO Holdings LLC
Well Family	Palmillo 29-30 State Com #273H, #377H
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Palmillo; Bone Spring, SW [Pool Code 96413]
Well Location Setback Rules:	Statewide Setbacks for Oil
Spacing Unit Size:	320 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	quarter-quarter sections
Orientation:	West-East
Description: TRS/County	N/2 S/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit C: Slides 3, 4 and 5
Well(s)	

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Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<p><b>Palmillo 29-30 State Com #273H well</b> (API pending)  SHL: 2780 FNL and 750 FEL, Unit I, of Section 25, T-19-S, R-27-E, NMPM.  BHL: 1790 FNL and 50 FEL, Unit I, of Section 29, T-19-S, R-28-E, NMPM.</p> <p>Completion Target: Bone Spring formation  Well Orientation: West-East  Completion Location: Standard</p>
Well #2	<p><b>Palmillo 29-30 State Com #377H well</b> (API pending)  SHL: 2810 FNL and 750 FEL, Unit I, of Section 25, T-19-S, R-27-E, NMPM.  BHL: 1760 FNL and 50 FEL, Unit I, of Section 29, T-19-S, R-28-E, NMPM.</p> <p>Completion Target: Bone Spring formation  Well Orientation: West-East  Completion Location: Standard</p>
Horizontal Well First and Last Take Points	Exhibit D-1
Completion Target (Formation, TVD and MD)	Exhibit D-2
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit D
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit H
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit H
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit I
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C: Slides 3, 4 and 5
Tract List (including lease numbers and owners)	Exhibit C: Slides 3, 4 and 5
Pooled Parties (including ownership type)	Exhibit C: Slides 3, 4 and 5
Unlocatable Parties to be Pooled	Exhibit H


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Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit D-2
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C: Slides 3, 4 and 5
Chronology of Contact with Non-Joined Working Interests	Exhibit D-3
Overhead Rates In Proposal Letter	Exhibit D-2
Cost Estimate to Drill and Complete	Exhibit D-2
Cost Estimate to Equip Well	Exhibit D-2
Cost Estimate for Production Facilities	Exhibit D-2
<b>Geology</b>	
Summary (including special considerations)	Exhibit E
Spacing Unit Schematic	Exhibit C: Slides 1 and 8
Gunbarrel/Lateral Trajectory Schematic	Exhibit C: Slides 1 and 8
Well Orientation (with rationale)	Exhibit E
Target Formation	Exhibit E
HSU Cross Section	Exhibit C: Slides 12-15
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit D-1
Tracts	Exhibit C: Slides 3, 4 and 5
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C: Slides 3, 4 and 5
General Location Map (including basin)	Exhibit C: Slides 1 and 8
Well Bore Location Map	Exhibit C: Slides 1 and 8
Structure Contour Map - Subsea Depth	Exhibit C: Slides 12-15
Cross Section Location Map (including wells)	Exhibit C: Slides 12-15
Cross Section (including Landing Zone)	Exhibit C: Slides 12-15
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	1-Nov-21

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May 16<sup>th</sup>, 2023

New Mexico State Land Office  
Attn: Baylen Lamkin  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

RE: Communitization Agreement  
Palmillo 29-30 State Com 272H  
API 30-015-50211  
Secs 29 and 30, T19S, R28E  
Eddy County, New Mexico

Dear Mr. Lamkin:

Apache Corporation requests your approval to communitize the above referenced well. Please find enclosed two originals of the fully executed Communitization Agreement for the Palmillo 29-30 State Com 272H (API 30-015-50211) and a copy of the Pooling Order, located in in the S/2N/2 of Sections 29 and 30, T19S, R28E, in Eddy County, New Mexico, along with a check in the amount of \$200.00.

The following well will also be included in the same communitization agreement as an infill well:

Palmillo State 29-30 State Com #376H      30-015-50210

Please return one copy of the approved agreement to the address listed below. My contact information is also below should you have any questions concerning this agreement.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Johnson", is written over a horizontal line.

Blake Johnson  
direct 281-302-2606  
[blake.johnson@apachecorp.com](mailto:blake.johnson@apachecorp.com)  
**APACHE CORPORATION**  
2000 Post Oak Blvd #100  
Houston, Texas 77056



APACHE CORPORATION  
2000 POST OAK BLVD, SUITE 100  
HOUSTON, TX 77056



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## Return Service Requested



000069 R3N5TDA  
COMMISSIONER OF PUBLIC LANDS  
STATE OF NEW MEXICO  
P O BOX 1148  
SANTA FE NM 87504-1148

Date: 05/15/2023  
Check #: 1503623  
Payment Amount: 200.00  
Vendor #: 9531234503

## Remittance Advice

Invoice Date	Invoice #	Invoice Gross Amt	Discount Amount	Invoice Net Amt
05/11/2023	3039	200.00	0.00	200.00

PLEASE DETACH BEFORE DEPOSITING CHECK

THIS CHECK CONTAINS MULTIPLE FRAUD DETERRENT SECURITY FEATURES

APACHE CORPORATION  
2000 POST OAK BLVD, SUITE 100  
HOUSTON, TX 77056

56-382/412



Date: 05/15/2023  
Check #: 1503623

Pay Exactly \*\*Two Hundred and 00/100 -US Dollars \*\*

Amount

\$\*\*\*\*\*200.00

TO THE ORDER OF  
COMMISSIONER OF PUBLIC LANDS  
STATE OF NEW MEXICO

VOID AFTER 180 DAYS

WELLS FARGO BANK, N.A.

Authorized Signer

⑈0001503623⑈ ⑆041203824⑆9600106744⑈



NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: H,G,F,E of Section 29 and H,G,F, Unit 2 of Section 30

Of Sect(s): 29 & 30 Twp: 19S Rng: 28E NMPM Eddy County, NM

Containing 323 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.

3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.

4. Apache Corporation \_\_\_\_\_ shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Apache Corporation.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: Apache Corporation



OPERATOR: Apache Corporation

BY: Justin R. Matthews Attorney in Fact (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)  
BTS fm  
**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

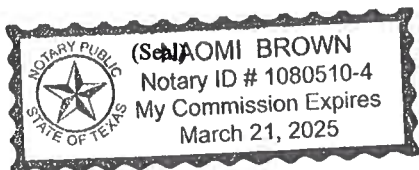
This instrument was acknowledged before me on \_\_\_\_\_ Date  
By \_\_\_\_\_  
Name(s) of Person(s)

(Seal) \_\_\_\_\_ Signature of Notarial Officer  
My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of TEXAS )  
County of Harris )

This instrument was acknowledged before me on January 24, 2023 Date: \_\_\_\_\_  
By: Justin R. Matthews, Attorney in Fact for Apache Corporation.  
Name(s) of Person(s)




[Signature] Signature of Notarial Officer

My commission expires: 3-21-2025

**Lease # and Lessee of Record:** VB-978-0 Cimarex Energy Co.

BY: Bradley Cantrell, Attorney-In-Fact (Name and Title of Authorized Agent)

 (Signature of Authorized Agent)

ZCM  
D

### Acknowledgment in an Individual Capacity

State of )  
County of )  
SS)

This instrument was acknowledged before me on

Date \_\_\_\_\_

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

### Acknowledgment in an Representative Capacity

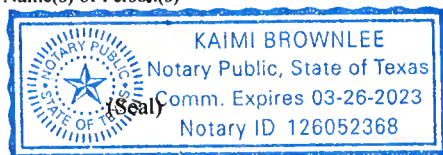
State of Texas )  
County of Midland )  
SS)

This instrument was acknowledged before me on

Date: March 9, 2023

By: Bradley Cantrell, Attorney-In-Fact of Cimarex Energy Co.  
Name(s) of Person(s)

Name(s) of Person(s)



Kami Brownlee

**Signature of Notarial Officer**

My commission expires: 3/26/2023

Lease # and Lessee of Record: E0-7644-2 XTO Holdings,LLC

BY: Angie Repka - Commercial and Land Manager (Name and Title of Authorized Agent)  
Agent and Attorney-in-Fact

[Signature] (Signature of Authorized Agent) [Signature]

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ Date

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

My commission expires: \_\_\_\_\_

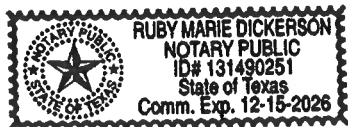
**Acknowledgment in an Representative Capacity**

State of TEXAS )  
County of HARRIS )

This instrument was acknowledged before me on \_\_\_\_\_ Date: April 24, 2023

By: Angie Repka, Agent and Attorney-in-Fact of XTO Holdings, LLC, a Delaware Limited Liability Company, on behalf of said limited liability company.  
Name(s) of Person(s)

(Seal)



Ruby Marie Dickerson  
Signature of Notarial Officer

My commission expires: 12-15-2026

 (Signature of Authorized Agent) 

State of )  
County of )  
SS)

Date \_\_\_\_\_

Name(s) of Person(s)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

State of OKLAHOMA                    )  
  SS)  
County of OKLAHOMA                    )

This instrument was acknowledged before me on the 5th of April, 2023, by David M. Korell, as Land Manager of WPX Energy Permian, LLC, a Delaware limited liability company.



Signature of Notarial Officer

**My commission expires:**

ONLINE  
version  
December 9, 2021

State/State





Lease # and Lessee of Record: LG-2677-2 EOG Resources Inc  
BY: Matthew Smith (Name and Title of Authorized Agent)  
Agent and Attorney-in-Fact  
[Signature] (Signature of Authorized Agent)

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ Date  
By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of Texas )  
County of Midland )

This instrument was acknowledged before me on \_\_\_\_\_ Date: 2/16/2023  
By: Matthew Smith

Name(s) of Person(s)



[Signature]

Signature of Notarial Officer

My commission expires: March 29, 2024

# **EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated January 1, 2023 by and between Apache Corporation, (Operator) Cimarex Energy Co, XTO Holdings LLC, WPX Energy Permian, LLC, EOG Resources Inc, (Record Title Holders/Lessees of Record) covering the Subdivisions : H,G,F,E of Section 29 and H,G,F, Unit 2 of Section 30 Sect(s): 29 and 30, Twnshp 19S, Rnge 28E, NMPM Eddy County, NM Limited in depth from \_\_\_\_\_ ft to \_\_\_\_\_ ft. (enter here what is granted in pooling order if applicable)

OPERATOR of Communitized Area: Apache Corporation

## **DESCRIPTION OF LEASES COMMITTED:**

### **TRACT NO. 1**

Lessor: \_\_\_\_\_ State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Cimarex Energy Co.

Serial No. of Lease: VB-978-0

Date of Lease: August 1, 2006

Description of Lands Committed:

Subdivisions: F,E

Sect(s): 29 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 80

### **TRACT NO. 2**

Lessor: \_\_\_\_\_ State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: XTO Holdings LLC.

Serial No. of Lease: E0-7644-2

Date of Lease: December 15, 1953

Description of Lands Committed:

Subdivisions: H,G of Section 29

Sect(s): 29 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 80

**TRACT NO. 3**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: WPX Energy Permian, LLC.Serial No. of Lease: X0-648-154Date of Lease: November 11, 1922

Description of Lands Committed:

Subdivisions: H, GSect(s): 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 80**TRACT NO. 4**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: EOG Resources Inc.Serial No. of Lease: LG-2677-2Date of Lease: March 1, 1975

Description of Lands Committed:

Subdivisions: FSect(s): 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 40**TRACT NO. 5**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: EOG Resources Inc.Serial No. of Lease: L0-6702-3Date of Lease: November 1, 1971

Description of Lands Committed:

Subdivisions: Unit 2Sect(s): 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 43

# RECAPITULATION

Tract number	Number of Acres Committed	Percentage of Interest In Communitized Area (Must equal 100%)
No. 1	<u>80</u>	<u>24.76780%</u>
No. 2	<u>80</u>	<u>24.76780%</u>
No. 3	<u>80</u>	<u>24.76780%</u>
No. 4	<u>40</u>	<u>12.38390%</u>
No. 5	<u>43</u>	<u>13.31269%</u>
TOTALS	<u>323</u>	<u>100%</u>

Attached to and made part of that certain Communitization Agreement dated January 1, 2023, by and between **Apache Corporation as Operator and Cimarex Energy Co., et al.**

Tract 5: State Lease: L0-6702-3 SWNW	Tract 4: State Lease: LG-2677-2 SENW	Tract 3: State Lease: X0-648-154 S2NE	Tract 1: State Lease: VB-978-0 S2NW	Tract 2: State Lease: E0-7644-2 S2NE
<div>Section 30-T19S-R28E</div>			<div>Section 29-T19S-R28E</div>	



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
APACHE CORPORATION**

**CASE NO. 21728  
ORDER NO. R-21978**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Apache Corporation ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 21728  
ORDER NO. R-21978

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well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**  
AES/jag

Date: 1/26/2022

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## Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 21728</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: November 5, 2021</b>	
Applicant	Apache Corporation
Designated Operator & OGRID (affiliation if applicable)	Apache Corporation (OGRID 873)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Colgate Operating, LLC EOG Resources, Inc. Cimarex Energy Co. XTO Holdings LLC
Well Family	Palmillo 29-30 State Com #272H, #376H
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Palmillo; Bone Spring, SW [Pool Code 96413]
Well Location Setback Rules:	Statewide Setbacks for Oil
Spacing Unit Size:	320 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	quart-quarter sections
Orientation:	West-East
Description: TRS/County	S/2 N/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	Exhibit C: Slides 3, 4 and 5
<b>Well(s)</b>	

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Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<p><b>Palmillo 29-30 State Com #272H well</b> (API pending)  SHL: 2750 FNL and 750 FEL, Unit I, of Section 25, T-19-S, R-27-E, NMPM.  BHL: 2060 FNL and 50 FEL, Unit H, of Section 29, T-19-S, R-28-E, NMPM.</p> <p>Completion Target: Bone Spring Formation  Well Orientation: West-East  Completion Location: Standard</p>
Well #2	<p><b>Palmillo 29-30 State Com #376H well</b> (API pending)  SHL: 2720 FNL and 750 FEL, Unit I, of Section 25, T-19-S, R-27-E, NMPM.  BHL: 2090 FNL and 50 FEL, Unit H, of Section 29, T-19-S, R-28-E, NMPM.</p> <p>Completion Target: Bone Spring Formation  Well Orientation: West-East  Completion Location: Standard</p>
Horizontal Well First and Last Take Points	Exhibit D-1
Completion Target (Formation, TVD and MD)	Exhibit D-2
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit D
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit H
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit H
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit I
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C: Slides 3, 4 and 5
Tract List (including lease numbers and owners)	Exhibit C: Slides 3, 4 and 5
Pooled Parties (including ownership type)	Exhibit C: Slides 3, 4 and 5
Unlocatable Parties to be Pooled	Exhibit H

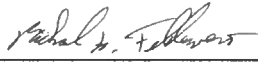
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Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit D-2
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C: Slides 3, 4 and 5
Chronology of Contact with Non-Joined Working Interests	Exhibit D-3
Overhead Rates In Proposal Letter	Exhibit D-2
Cost Estimate to Drill and Complete	Exhibit D-2
Cost Estimate to Equip Well	Exhibit D-2
Cost Estimate for Production Facilities	Exhibit D-2
<b>Geology</b>	
Summary (including special considerations)	Exhibit E
Spacing Unit Schematic	Exhibit C: Slides 1 and 8
Gunbarrel/Lateral Trajectory Schematic	Exhibit C: Slides 1 and 8
Well Orientation (with rationale)	Exhibit E
Target Formation	Exhibit E
HSU Cross Section	Exhibit C: Slides 12-15
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit D-1
Tracts	Exhibit C: Slides 3, 4 and 5
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C: Slides 3, 4 and 5
General Location Map (including basin)	Exhibit C: Slides 1 and 8
Well Bore Location Map	Exhibit C: Slides 1 and 8
Structure Contour Map - Subsea Depth	Exhibit C: Slides 12-15
Cross Section Location Map (including wells)	Exhibit C: Slides 12-15
Cross Section (including Landing Zone)	Exhibit C: Slides 12-15
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	1-Nov-21

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May 16<sup>th</sup>, 2023

New Mexico State Land Office  
Attn: Baylen Lamkin  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

RE: Communitization Agreement  
Palmillo 29-30 State Com 274H  
API 30-015-50215  
Secs 29 and 30, T19S, R28E  
Eddy County, New Mexico

Dear Mr. Lamkin:

Apache Corporation requests your approval to communitize the above referenced well. Please find enclosed two originals of the fully executed Communitization Agreement for the Palmillo 29-30 State Com 274H (API 30-015-50215) and a copy of the Pooling Order, located in in the S/2S/2 of Sections 29 and 30, T19S, R28E, in Eddy County, New Mexico, along with a check in the amount of \$200.00.

The following well will also be included in the same communitization agreement as an infill well:

Palmillo State 29-30 State Com #378H      30-015-50216

Please return one copy of the approved agreement to the address listed below. My contact information is also below should you have any questions concerning this agreement.

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. Johnson'.

Blake Johnson  
direct 281-302-2606  
[blake.johnson@apachecorp.com](mailto:blake.johnson@apachecorp.com)

**APACHE CORPORATION**  
2000 Post Oak Blvd #100  
Houston, Texas 77056

APACHE CORPORATION  
2000 POST OAK BLVD, SUITE 100  
HOUSTON, TX 77056



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## Return Service Requested



000071 R3N5TDA  
COMMISSIONER OF PUBLIC LANDS  
STATE OF NEW MEXICO  
P O BOX 1148  
SANTA FE NM 87504-1148

Date: 05/15/2023  
Check #: 1503625  
Payment Amount: 200.00  
Vendor #: 9531234503

## Remittance Advice

Invoice Date	Invoice #	Invoice Gross Amt	Discount Amount	Invoice Net Amt
05/11/2023	3042	200.00	0.00	200.00

PLEASE DETACH BEFORE DEPOSITING CHECK

THIS CHECK CONTAINS MULTIPLE FRAUD DETERRENT SECURITY FEATURES

APACHE CORPORATION  
2000 POST OAK BLVD, SUITE 100  
HOUSTON, TX 77056

56-382/412



Date: 05/15/2023  
Check #: 1503625

Pay Exactly \*\*Two Hundred and 00/100 -US Dollars \*\*

Amount

\$\*\*\*\*\*200.00

TO THE ORDER OF  
COMMISSIONER OF PUBLIC LANDS  
STATE OF NEW MEXICO

VOID AFTER 180 DAYS

WELLS FARGO BANK, N.A.

*B. C. Davis*  
Authorized Signer

⑈0001503625⑈ ⑆041203824⑆9600106744⑈

**NM State Land Office  
Oil, Gas, & Minerals Division**

**STATE/STATE OR  
STATE/FEE**

Revised December 2021

**COMMUNITIZATION AGREEMENT**

ONLINE Version

KNOW ALL PERSONS BY THESE PRESENTS:

API #: 30-0 15 - 50215

STATE OF NEW MEXICO )  
SS) Well Name: Palmillo 29-30 State Com 274H

COUNTY OF Eddy )

THAT THIS AGREEMENT [which is NOT to be used for carbon dioxide or helium] is entered into as of (date before 1<sup>st</sup> production) January 1, 2023, by and between the parties subscribing, ratifying or consenting hereto, such parties hereinafter being referred to as "Parties hereto";

WHEREAS, the Commissioner of Public Lands of the State of New Mexico is authorized by the Legislature, as set forth in Sec. 19-10-53, New Mexico Statutes, Annotated, 1978, in the interest of conservation of oil & gas and the prevention of waste to consent to and approve the development or operation of State Trust Lands under agreements made by lessees of oil & gas leases thereon, jointly or severally with other oil & gas lessees of State Trust Lands, or oil and gas lessees or mineral owners of privately owned or fee lands, for the purpose of pooling or communitizing such lands to form a proration unit or portion thereof, or well-spacing unit, pursuant to any order, rule or regulation of the New Mexico Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department where such agreement provides for the allocation of the production of oil or gas from such pools or communitized areas on an acreage or other basis found by the Commissioner of Public Lands to be fair and equitable.

WHEREAS, the parties hereto, own working, royalty, or other leasehold interests or operating rights under the oil and gas leases and lands subject to this agreement, and all such State leases are required to remain in good standing and compliant with State laws, rules & regulations, which leases are more particularly described in the schedule attached hereto, marked Exhibit "A" and made a part hereof, for all purposes; and

WHEREAS, said leases, insofar as they cover the Winchester; Bone Spring, West formation or pool as defined by the NMOCD, as further described on Exhibit "A" (hereinafter referred to as "said formation") in and under the land hereinafter described cannot be independently developed and operated in conformity with the well spacing program established for such formation in and under said lands; and

WHEREAS, the parties hereto desire to communitize and pool their respective interests in said leases subject to this agreement for the purpose of developing, operating and producing hydrocarbons in the said formation in and under the land hereinafter described subject to the terms hereof.

ONLINE  
version  
December 9, 2021

State/State

1

NOW THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the undersigned as follows:

1. The lands covered by this agreement (hereinafter referred to as the "communitized area") are described as follows:

Subdivisions: P,O,N,M of Section 29 and P,O,N, Unit 4 of Section 30

Of Sect(s): 29 & 30 Twp: 19S Rng: 28E NMPM Eddy County, NM

Containing 322.84 acres, more or less. It is the judgment of the parties hereto that the communitization, pooling and consolidation of the aforesaid land into a single unit for the development and production of hydrocarbons from the said formation in and under said land is necessary and advisable in order to properly develop and produce the hydrocarbons in the said formation beneath the said land in accordance with the well spacing rules of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and in order to promote the conservation of the hydrocarbons in and that may be produced from said formation in and under said lands, and would be in the public interest;

AND, for the purposes aforesaid, the parties hereto do hereby communitize for proration or spacing purposes only the leases and depths described in Exhibit "A" hereto insofar as they cover hydrocarbons within and that may be produced from the said formation (hereinafter referred to as "communitized substances") beneath the above-described land, into a single communitization, for the development, production, operation and conservation of the hydrocarbons in said formation beneath said lands.

Attached hereto and made a part of this agreement for all purposes, is Exhibit A showing the acreage, depths communitized and ownership (Lessees of Record) of all leases within the communitized area.

2. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leases described in Exhibit "A" hereto in the proportion that the number of surface acres covered by each of such leases and included within the communitized area bears to the total number of acres contained in the communitized area.
3. Subject to Paragraph 5, the royalties payable on communitized substances allocated to the individual leases and the rentals provided for in said leases shall be determined and paid in the manner and on the basis prescribed in each of said leases. Except as provided for under the terms and provisions of the leases described in Exhibit "A" hereto or as herein provided to the contrary, the payment of rentals under the terms of said leases shall not be affected by this agreement; and except as herein modified and changed or heretofore amended, the oil and gas leases subject to this agreement shall remain in full force and effect as originally issued and amended.



4. Apache Corporation shall be the Operator of the said communitized area and all matters of operation shall be determined and performed by Apache Corporation.

5. The State of New Mexico hereafter is entitled to the right to take in kind its share for the communitized substances allocated to such tract, and Operator shall make deliveries of such royalty share taken in kind in conformity with applicable contracts, laws, and regulations.

6. There shall be no obligation upon the parties hereto to offset any well or wells situated on the tracts of land comprising the communitized area, nor shall the Operator be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

7. The commencement, completion, and continued operation or production of a well or wells of communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

8. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws. This agreement shall be subject to all applicable Federal and State laws, executive orders, rules and regulations affecting the performance of the provisions hereof, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

9. This agreement shall be effective as of the date hereinabove written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full force and effect for a period of one year from the date hereof and as long thereafter as communitized substances are produced from the communitized area in paying quantities, and so long as all State leases remain in good standing with all State laws, rules, and regulations; provided, that this agreement shall not expire if there is a well capable of producing gas in paying quantities located upon some part of the communitized area, if such a well is shut-in due to the inability of the Operator to obtain a pipeline connection or to market the gas therefrom, and if either: (a) a shut-in royalty has been timely and properly paid pursuant to the provisions of one of the State of New Mexico oil and gas leases covering lands subject to this agreement so as to prevent the expiration of such lease; or (b) each of the State of New Mexico oil and gas leases covering lands subject to this agreement is in its primary term (if a five-year lease), or in its primary or secondary term (if a ten-year lease), or is held by production from another well. Provided further, however, that prior to production in paying quantities from the communitized

area, and upon fulfillment of all requirements of the Commissioner of Public Lands with respect to any dry hole or abandoned well drilled upon the communitized area, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production of communitized substances if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence. As to State Trust Lands, written notice of intention to commence such operations shall be filed with the Commissioner of Public Lands within thirty (30) days after the cessation of such production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

10. Operator will furnish the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department, and the Commissioner of Public Lands of the State of New Mexico, with any and all reports, statements, notices and well logs and records which may be required under the laws and regulations of the State of New Mexico.

11. It is agreed between the parties hereto that the Commissioner of Public Lands, or his duly authorized representatives, shall have the right of supervision over all operations under the communitized area to the same extent and degree as provided in the oil and gas leases described in Exhibit "A" hereto and in the applicable oil and gas regulations of the State of New Mexico.

12. If any order of the Oil Conservation Division of the New Mexico Energy Minerals and Natural Resources Department, upon which this agreement is predicated or based is in anyway changed or modified, then in such event said agreement is likewise modified to conform thereto.

13. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR: Apache Corporation

OPERATOR: Apache Corporation

BY: Justin R. Matthews Attorney in Fact (Name and Title of Authorized Agent)

[Signature] (Signature of Authorized Agent)

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ Date

By \_\_\_\_\_  
Name(s) of Person(s)

(Seal)

\_\_\_\_\_  
Signature of Notarial Officer

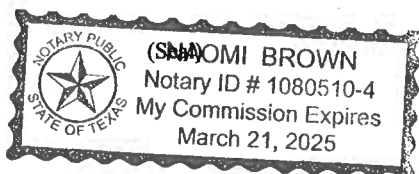
My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of TEXAS )  
County of HARRIS )

This instrument was acknowledged before me on January 24, 2023 Date


By: Justin R. Matthews, Attorney in Fact for Apache Corporation  
Name(s) of Person(s)



[Signature]  
Signature of Notarial Officer

My commission expires: 3-21-2025

6

 (Signature of Authorized Agent)

E0-7644-2 XTO Holdings, LLC

Lease # and Lessee of Record: \_\_\_\_\_

BY: Angie Repka - Commercial and Land Manager (Name and Title of Authorized Agent)  
Agent and Attorney-in-Fact

[Signature] (Signature of Authorized Agent) [Signature]

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_ Date

By

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

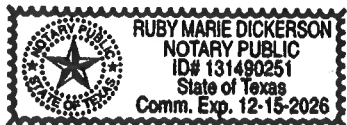
State of TEXAS )  
County of HARRIS )

This instrument was acknowledged before me on \_\_\_\_\_ Date: April 24, 2023

By: Angie Repka, Agent and Attorney-in-Fact of XTO Holdings, LLC, a Delaware Limited Liability Company, on behalf of said limited liability company.  
Name(s) of Person(s)

Ruby Marie Dickerson  
Signature of Notarial Officer

My commission expires: 12-15-2026



(Seal)

ONLINE  
Notary Public  
December 9, 2021

State/State



Lease # and Lessee of Record: L0-6702-5 Marathon Oil Permian LLC  
BY: [Signature] (Name and Title of Authorized Agent)  
STEPHEN J. THOMPSON, ATTORNEY-IN-FACT  
\_\_\_\_\_  
(Signature of Authorized Agent)

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

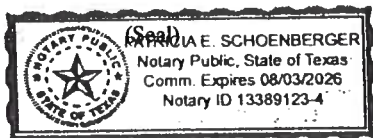
This instrument was acknowledged before me on \_\_\_\_\_ Date  
By \_\_\_\_\_  
Name(s) of Person(s)  
\_\_\_\_\_  
(Seal) \_\_\_\_\_ Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of Texas )  
County of Harris )

This instrument was acknowledged before me on April 13, 2023 Date: 4/13/2023  
By: Stephen J. Thompson  
Name(s) of Person(s)



[Signature]  
\_\_\_\_\_  
Signature of Notarial Officer  
My commission expires: 8/3/2026

LG-2677-2 EOG Resources Inc

Lease # and Lessee of Record: \_\_\_\_\_

BY: Matthew Smith, (Name and Title of Authorized Agent)  
Agent and Attorney-in-Fact

[Signature] (Signature of Authorized Agent)

**Acknowledgment in an Individual Capacity**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Name(s) of Person(s)

(Seal)

Signature of Notarial Officer

My commission expires: \_\_\_\_\_

**Acknowledgment in an Representative Capacity**

State of Texas )  
County of Midland )

This instrument was acknowledged before me on \_\_\_\_\_

Date: 2/16/2023

By: Matthew Smith

Name(s) of Person(s)

[Signature]

Signature of Notarial Officer

My commission expires: March 29, 2024



**EXHIBIT A**

Attached to and made a part of that Communitization Agreement dated January 1, 2023 by and between Apache Corporation, (Operator) Durango Production Corp, Marathon Oil Permian LLC, WPX Energy Permian, LLC, EOG Resources Inc, XTO Holdings LLC (Record Title Holders/Lessees of Record) covering the Subdivisions : P,O,N,M of Section 29 and P,O,N, Unit 4 of Section 30

Sect(s): 29 and 30, Twnshp 19S, Rnge 28E, NMPM Eddy County, NM Limited in depth from \_\_\_\_\_ ft to \_\_\_\_\_ ft. (enter here what is granted in pooling order if applicable)

OPERATOR of Communitized Area: Apache Corporation

**DESCRIPTION OF LEASES COMMITTED:****TRACT NO. 1**

Lessor: \_\_\_\_\_ State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: Durango Production Corp

Serial No. of Lease: E0-7815-4

Date of Lease: February 16, 1954

Description of Lands Committed:

Subdivisions: N,M

Sect(s): 29 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 80

**TRACT NO. 2**

Lessor: \_\_\_\_\_ State of New Mexico acting by and through its Commissioner of Public Lands

Lessee of Record: WPX Energy Permian LLC.

Serial No. of Lease: X0-648-154

Date of Lease: November 11, 1922

Description of Lands Committed:

Subdivisions: P,O

Sect(s): 29 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 80

**TRACT NO. 3**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: XTO Holdings LLCSerial No. of Lease: E0-7644-2Date of Lease: December 15, 1953

Description of Lands Committed:

Subdivisions: PSect(s): 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 40**TRACT NO. 4**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: Marathon Oil Permian LLCSerial No. of Lease: L0-6702-5Date of Lease: November 1, 1971

Description of Lands Committed:

Subdivisions: O, Unit 4Sect(s): 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 82.84**TRACT NO. 5**Lessor: State of New Mexico acting by and through its Commissioner of Public LandsLessee of Record: EOG Resources IncSerial No. of Lease: LG-2677-2Date of Lease: March 1, 1975

Description of Lands Committed:

Subdivisions: NSect(s): 30 Twnshp: 19S, Rng: 28E NMPM Eddy County NM No. of Acres: 40

**RECAPITULATION**

<b>Tract number</b>	<b>Number of Acres Committed</b>	<b>Percentage of Interest In Communitized Area (Must equal 100%)</b>
No. 1	<u>80</u>	<u>24.78008%</u>
No. 2	<u>80</u>	<u>24.78008%</u>
No. 3	<u>40</u>	<u>12.39004%</u>
No. 4	<u>82.84</u>	<u>25.65977%</u>
No. 5	<u>40</u>	<u>12.39004%</u>
TOTALS	<u>322.84</u>	<u>100%</u>

Attached to and made part of that certain Communitization Agreement dated January 1, 2023, by and between **Apache Corporation as Operator and Durango Production Corp., et al.**

Section 30-T19S-R28E				Section 29-T19S-R28E	
Tract 4: State Lease: L0-6702-5 SWSW	Tract 5: State Lease: LG-2677-2 SESW	Tract 4: State Lease: L0-6702-5 SWSE	Tract 3: State Lease: E0-7644-2 SESE	Tract 1: State Lease: E0-7815-4 S2SW	Tract 2: State Lease: X0-648-154 S2SE



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
APACHE CORPORATION**

**CASE NO. 21730  
ORDER NO. R-21980**

**ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 6, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Apache Corporation ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 21730  
ORDER NO. R-21980

Page 2 of 7

well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL  
DIRECTOR  
AES/jag

Date: 1/26/2022

CASE NO. 21730  
ORDER NO. R-21980

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## Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 21730</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: November 5, 2021</b>	
Applicant	Apache Corporation
Designated Operator & OGRID (affiliation if applicable)	Apache Corporation (OGRID 873)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF APACHE CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	Colgate Operating, LLC EOG Resources, Inc. Cimarex Energy Co. XTO Holdings LLC
Well Family	Palmillo 29-30 State Com #274H, #378H
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Palmillo; Bone Spring, SW [Pool Code 96413]
Well Location Setback Rules:	Statewide Setbacks for Oil
Spacing Unit Size:	320 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	quarter-quarter sections
Orientation:	<b>West-East</b>
Description: TRS/County	S/2 S/2 of Sections 29 and 30, Township 19 South, Range 28 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	
Applicant's Ownership in Each Tract	<b>Exhibit C: Slides 3, 4 and 5</b>
<b>Well(s)</b>	

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CASE NO. 21730  
ORDER NO. R-21980

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Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<p><b>Palmillo 29-30 State Com #274H well</b> (API pending)  SHL: 307 FSL and 650 FEL, Unit P, of Section 25, T-19-S, R-27-E, NMPM.  BHL: 330 FSL and 50 FEL, Unit P, of Section 29, T-19-S, R-28-E, NMPM.</p> <p>Completion Target: Bone Spring formation  Well Orientation: West-East  Completion Location: Standard</p>
Well #2	<p><b>Palmillo 29-30 State Com #378H well</b> (API pending)  SHL: 337 FSL and 650 FEL, Unit P, of Section 25, T-19-S, R-27-E, NMPM.  BHL: 360 FSL and 50 FEL, Unit P, of Section 29, T-19-S, R-28-E, NMPM.</p> <p>Completion Target: Bone Spring formation  Well Orientation: West-East  Completion Location: Standard</p>
Horizontal Well First and Last Take Points	Exhibit D-1
Completion Target (Formation, TVD and MD)	Exhibit D-2
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit D
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit H
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit H
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit I
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C: Slides 3, 4 and 5
Tract List (including lease numbers and owners)	Exhibit C: Slides 3, 4 and 5
Pooled Parties (including ownership type)	Exhibit C: Slides 3, 4 and 5
Unlocatable Parties to be Pooled	Exhibit H

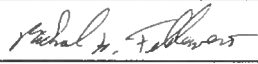
CASE NO. 21730  
ORDER NO. R-21980

Page 6 of 7



Received by OCD: 11/1/2021 7:26:10 PM

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Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit D-2
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C: Slides 3, 4 and 5
Chronology of Contact with Non-Joined Working Interests	Exhibit D-3
Overhead Rates In Proposal Letter	<b>Exhibit D-2</b>
Cost Estimate to Drill and Complete	<b>Exhibit D-2</b>
Cost Estimate to Equip Well	<b>Exhibit D-2</b>
Cost Estimate for Production Facilities	<b>Exhibit D-2</b>
<b>Geology</b>	
Summary (including special considerations)	Exhibit E
Spacing Unit Schematic	Exhibit C: Slides 1 and 8
Gunbarrel/Lateral Trajectory Schematic	Exhibit C: Slides 1 and 8
Well Orientation (with rationale)	Exhibit E
Target Formation	Exhibit E
HSU Cross Section	Exhibit C: Slides 12-15
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit D-1
Tracts	Exhibit C: Slides 3, 4 and 5
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C: Slides 3, 4 and 5
General Location Map (including basin)	Exhibit C: Slides 1 and 8
Well Bore Location Map	Exhibit C: Slides 1 and 8
Structure Contour Map - Subsea Depth	Exhibit C: Slides 12-15
Cross Section Location Map (including wells)	Exhibit C: Slides 12-15
Cross Section (including Landing Zone)	Exhibit C: Slides 12-15
<b>Additional Information</b>	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	1-Nov-21

Released to Imaging: 11/2/2021 8:14:37 AM

CASE NO. 21730  
ORDER NO. R-21980

Page 7 of 7

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
Westway Ranches, LLC  
PO Box 10282  
Midland, TX 79702



9590 9402 3217 7196 7875 69

2. Article Number (Transfer from service label)

7017 2400 0000 6116 4917

PS Form 3811, July 2015 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

Gene D. Smith

C. Date of Delivery

2/23

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
S.K. Lawlis  
PO Box 1889  
Midland, TX 79702



9590 9402 3217 7196 7877 05

2. Article Number (Transfer from service label)

7017 2400 0000 6116 4771

PS Form 3811, July 2015 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

S.K. Lawlis

C. Date of Delivery

2/21

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
VF Petroleum, Inc.  
PO Box 1889  
Midland, TX 79702



9590 9402 3217 7196 7876 99

2. Article Number (Transfer from service label)

7017 2400 0000 6116 4788

PS Form 3811, July 2015 PSN 7530-02-000-9053

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

VF Petroleum, Inc.

C. Date of Delivery

2/21

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature☐ Adult Signature Restricted Delivery☒ Certified Mail®☐ Certified Mail Restricted Delivery☐ Collect on Delivery☐ Collect on Delivery Restricted Delivery☐ Restricted Delivery☐ Priority Mail Express®☐ Registered Mail™☐ Registered Mail Restricted Delivery☐ Return Receipt for Merchandise☐ Signature Confirmation™☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

Received by D.D.: 3/6/2023 8:33:17 AM  
 Page 122 of 131

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: APACHE CORPORATION

OPERATOR ADDRESS: 303 VETERANS AIRPARK LANE MIDLAND TEXAS 79705

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.  
(4) Measurement type: ☐ Metering ☐ Other (Specify)  
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code. WINCHESTER;BONE SPRING WEST (97569)  
(2) Is all production from same source of supply? ☒ Yes ☐ No  
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No  
(4) Measurement type: Metering ☒ Other (Specify) well test

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: alicia fulton TITLE: SR REG. ANALYST DATE: 2/15/2023  
TYPE OR PRINT NAME ALICIA FULTON TELEPHONE NO.: 432-818-1088  
E-MAIL ADDRESS: ALICIA.FULTON@APACHECORP.COM

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY APACHE CORPORATION**

**ORDER NO. CTB-1092**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Apache Corporation (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
4. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
5. Applicant in the notice for the Application stated that it sought authorization to prospectively include additional pools, leases, and wells in accordance with 19.15.12.10.C.(4)(g) NMAC.
6. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
12. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
13. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit a Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingling application to OCD to conform this Order with the approved Agreement(s). If Applicant fails to submit the new surface commingling application or OCD denies the new surface commingling application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is



approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.



5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC, provided the pools, leases, and subsequently drilled wells are within the identified parameters included in the Application.
9. If a well is not included in Exhibit A but produces from a pool and lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well, proposed method to determine the allocation of oil and gas production to it, and the location(s) that commingling of its production will occur.
10. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
11. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
12. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

A handwritten signature in black ink, appearing to read 'D. Fuge', is written over a horizontal line.

**DYLAN M. FUGE  
DIRECTOR**

**DATE:** 6/15/2023

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: CTB-1092

Operator: Apache Corporation (873)

Central Tank Battery: Palmillo 29 30 Central Tank Battery

Central Tank Battery Location: UL J, Section 25, Township 19 South, Range 27 East

Gas Title Transfer Meter Location: UL J, Section 25, Township 19 South, Range 27 East

### Pools

Pool Name	Pool Code
WINCHESTER; BONE SPRING, WEST	97569

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
VB 0978 0000	A D E F K L	29-19S-28E
E0 7644 0002	B C G H	29-19S-28E
	C P	30-19S-28E
X0 0648 0154	SE/4	29-19S-28E
	NE/4	30-19S-28E
E0 7815 0004	S/2 SW/4	29-19S-28E
LG 2677 0002	F I K L N	30-19S-28E
L0 6702 0005	J M O	30-19S-28E
L0 6702 0003	W/2 NW/4	30-19S-28E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-50201	Palmillo 29 30 State #271H	N/2 N/2	29-19S-28E	97569
		N/2 N/2	30-19S-28E	
30-015-50211	Palmillo 29 30 State #272H	S/2 N/2	29-19S-28E	97569
		S/2 N/2	30-19S-28E	
30-015-50213	Palmillo 29 30 State #273H	N/2 S/2	29-19S-28E	97569
		N/2 S/2	30-19S-28E	
30-015-50215	Palmillo 29 30 State #274H	S/2 S/2	29-19S-28E	97569
		S/2 S/2	30-19S-28E	
30-015-50202	Palmillo 29 30 State #375H	N/2 N/2	29-19S-28E	97569
		N/2 N/2	30-19S-28E	
30-015-50210	Palmillo 29 30 State #376H	S/2 N/2	29-19S-28E	97569
		S/2 N/2	30-19S-28E	
30-015-50214	Palmillo 29 30 State #377H	N/2 S/2	29-19S-28E	97569
		N/2 S/2	30-19S-28E	
30-015-50216	Palmillo 29 30 State #378H	S/2 S/2	29-19S-28E	97569
		S/2 S/2	30-19S-28E	

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: CTB-1092  
Operator: Apache Corporation (873)

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMSLO	N/2 N/2 N/2 N/2	29-19S-28E 30-19S-28E	323.08	A
CA Bone Spring NMSLO	S/2 N/2 S/2 N/2	29-19S-28E 30-19S-28E	323	B
CA Bone Spring NMSLO	N/2 S/2 N/2 S/2	29-19S-28E 30-19S-28E	322.92	C
CA Bone Spring NMSLO	S/2 S/2 S/2 S/2	29-19S-28E 30-19S-28E	322.84	D

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
VB 0978 0000	A D	29-19S-28E	80	A
E0 7644 0002	B C C	29-19S-28E 30-19S-28E	120	A
X0 0648 0154	A B	30-19S-28E	80	A
L0 6702 0003	D	30-19S-28E	43.08	A
E0 7644 0002	G H	29-19S-28E	80	B
VB 0978 0000	E F	29-19S-28E	80	B
X0 0648 0154	G H	30-19S-28E	80	B
LG 2677 0002	E F	30-19S-28E	83	B
X0 0648 0154	I J	29-19S-28E	80	C
VB 0978 0000	K L	29-19S-28E	80	C
LG 2677 0002	I K L	30-19S-28E	122.92	C
L0 6702 0005	J	30-19S-28E	40	C
X0 0648 0154	O P	29-19S-28E	80	D
E0 7815 0004	M N	29-19S-28E	80	D
E0 7644 0002	P	30-19S-28E	40	D
L0 6702 0005	M O	30-19S-28E	82.84	D
LG 2677 0002	N	30-19S-28E	40	D

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS  
  
Action 186377

CONDITIONS

Operator:  APACHE CORPORATION 303 Veterans Airpark Ln Midland, TX 79705	OGRID:  873
	Action Number:  186377
	Action Type:  [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	6/15/2023